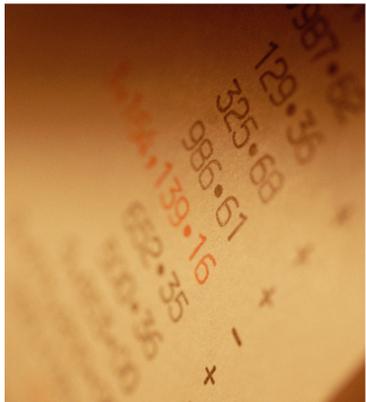
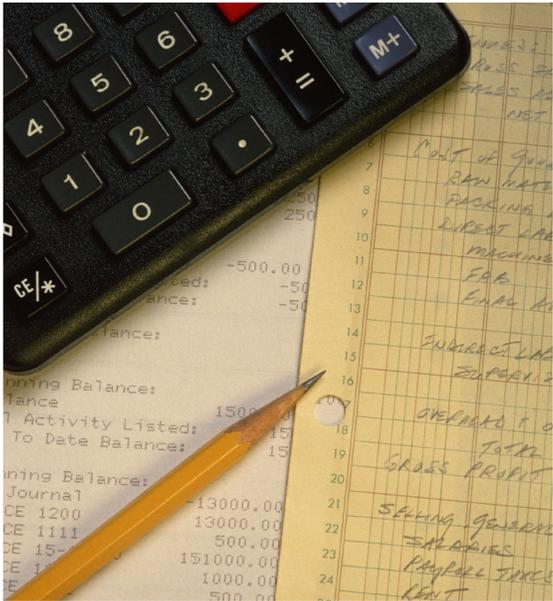


# ANNUAL FINANCIAL REPORT

## for the Year Ended August 31, 2015



**Texas Workforce Commission Mission:  
To promote and support a workforce  
system that creates value and  
offers employers, individuals, and  
communities the opportunity to  
achieve and sustain economic  
prosperity.**



**ANNUAL FINANCIAL REPORT**

**UNAUDITED**

**TEXAS WORKFORCE COMMISSION**  
**Austin, Texas**

**Year Ended August 31, 2015**



# Texas Workforce Commission

A Member of Texas Workforce Solutions

Andres Alcantar, Chairman  
Commissioner Representing  
the Public

Ronald G. Congleton  
Commissioner Representing  
Labor

Ruth R. Hughs  
Commissioner Representing  
Employers

Larry E. Temple  
Executive Director

November 13, 2015

The Honorable Greg Abbott, Governor  
The Honorable Glenn Hegar, State Comptroller  
Ursula Parks, Director, Legislative Budget Board  
John Keel, CPA, State Auditor

We are pleased to submit the Annual Financial Report of the Texas Workforce Commission for the year ended August 31, 2015, in compliance with TEX. GOV'T CODE ANN §2101.011 and in accordance with the requirements established by the 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 Comprehensive Annual Financial Report; 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 Randy Townsend, Chief Financial Officer, at (512) 463-2698.

Sincerely,



Larry E. Temple  
Executive Director



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**TEXAS WORKFORCE COMMISSION**

## TEXAS WORKFORCE COMMISSION (320)

**EXHIBIT I****COMBINED BALANCE SHEET / STATEMENT OF NET POSITION - GOVERNMENTAL FUNDS**

For the Year Ended August 31, 2015

	Governmental Fund Types			Statement of Net Assets
	General Funds (Exhibit A-1)	Capital Asset Adjustments	Long-Term Liabilities Adjustment	
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents				
Cash on Hand	\$ 258,164.48	\$	\$	\$ 258,164.48
Cash in Bank (Note 3)	347,255.71			347,255.71
Cash in State Treasury	175,686,974.46			175,686,974.46
Legislative Appropriations	52,488,996.47			52,488,996.47
Receivables:				
Federal Receivables (Note 24)	22,479,728.04			22,479,728.04
Interest and Dividends	1,111.18			1,111.18
Accounts Receivable (Note 24)	10,608,232.91			10,608,232.91
Interfund Receivable (Note 12)	1,093,889.94			1,093,889.94
Due from Other Funds (Note 12)	2,192,479.85			2,192,479.85
Due from Other Agencies (Note 12)	2,310,080.46			2,310,080.46
Consumable Inventories	1,652,390.40			1,652,390.40
Total Current Assets	<u>269,119,303.90</u>	<u>0.00</u>	<u>0.00</u>	<u>269,119,303.90</u>
Non-Current Assets:				
Accounts Receivable	617,271.36			617,271.36
Capital Assets (Note 2)				
Non-Depreciable				
Land and Land Improvements		4,701,957.23		4,701,957.23
Construction in Progress		11,165,602.32		11,165,602.32
Depreciable				
Building and Building Improvements		32,864,760.95		32,864,760.95
Accumulated Depreciation		(26,672,948.37)		(26,672,948.37)
Furniture and Equipment		7,224,319.07		7,224,319.07
Accumulated Depreciation		(6,389,702.42)		(6,389,702.42)
Vehicles, Boats & Aircraft		259,938.52		259,938.52
Accumulated Depreciation		(184,085.23)		(184,085.23)
Amortizable - Intangible				
Computer Software		17,916,056.25		17,916,056.25
Accumulated Depreciation		(14,593,727.43)		(14,593,727.43)
Total Non-Current Assets	<u>617,271.36</u>	<u>26,292,170.89</u>	<u>0.00</u>	<u>26,909,442.25</u>
<b>Total Assets</b>	<b>\$ <u>269,736,575.26</u></b>	<b>\$ <u>26,292,170.89</u></b>	<b>\$ <u>0.00</u></b>	<b>\$ <u>296,028,746.15</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Current Liabilities:				
Payables:				
Accounts Payable	\$ 28,552,200.35	\$	\$	\$ 28,552,200.35
Payroll Payable	13,073,964.29			13,073,964.29
Interfund Payable (Note 12)	1,093,889.94			1,093,889.94
Unearned Revenues	410,632.61			410,632.61
Due to Other Funds (Note 12)	6,104,831.82			6,104,831.82
Due to Other Agencies (Note 12)	6,958,187.70			6,958,187.70
Employees Compensable Leave (Note 5)			8,556,118.77	8,556,118.77
Total Current Liabilities	<u>56,193,706.71</u>	<u>0.00</u>	<u>8,556,118.77</u>	<u>64,749,825.48</u>

TEXAS WORKFORCE COMMISSION (320)

**EXHIBIT I**  
**COMBINED BALANCE SHEET / STATEMENT OF NET POSITION - GOVERNMENTAL FUNDS**  
 For the Year Ended August 31, 2015

	Governmental Fund Types			
	General Funds (Exhibit A-1)	Capital Asset Adjustments	Long-Term Liabilities Adjustment	Statement of Net Assets
<b>Non-Current Liabilities:</b>				
Employees Compensable Leave (Note 5)			1,238,158.36	1,238,158.36
<b>Total Non-Current Liabilities</b>	<u>0.00</u>	<u>0.00</u>	<u>1,238,158.36</u>	<u>1,238,158.36</u>
Deferred Inflows of Resources (Note 28)	283,266.74			283,266.74
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>56,476,973.45</u>	<u>0.00</u>	<u>9,794,277.13</u>	<u>66,271,250.58</u>
<b>Fund Financial Statement-Fund Balances</b>				
<b>Fund Balances (Deficits):</b>				
Non-Spendable	\$ 1,652,390.40	\$	\$	\$ 1,652,390.40
Restricted	5,064,998.83			5,064,998.83
Committed	158,920,041.04			158,920,041.04
Assigned	43,517,362.68			43,517,362.68
Unassigned	4,104,808.86			4,104,808.86
<b>Total Fund Balances</b>	<u>213,259,601.81</u>	<u>0.00</u>	<u>0.00</u>	<u>213,259,601.81</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 269,736,575.26</u>	<u>0.00</u>	<u>9,794,277.13</u>	<u>279,530,852.39</u>
<b>Government-wide Statement-Net Position</b>				
<b>Net Position:</b>				
Invested in Capital Assets, Net of Related Debt		26,292,170.89		26,292,170.89
Unrestricted			(9,794,277.13)	(9,794,277.13)
<b>Total Net Position</b>		<u>\$ 26,292,170.89</u>	<u>\$ (9,794,277.13)</u>	<u>\$ 229,757,495.57</u>

## TEXAS WORKFORCE COMMISSION (320)

**EXHIBIT II**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN**  
**FUND BALANCES / STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS**  
For the Year Ended August 31, 2015

	Governmental Fund Types			Statement of Activities
	General Funds (Exhibit A-2)	Capital Asset Adjustments	Long-Term Liabilities Adjustment	
<b>REVENUES:</b>				
Legislative Appropriations				
Original Appropriations (GR)	\$ 105,669,306.00	\$	\$	\$ 105,669,306.00
Additional Appropriations (GR)	5,526,746.70			5,526,746.70
Federal Revenue	938,868,849.98			938,868,849.98
Federal Pass-Through Revenue	95,523,034.32			95,523,034.32
Licenses, Fees and Permits	121,895,791.82			121,895,791.82
Interest and Investment Income	65,693.82			65,693.82
Land Income	597.53			597.53
Sales of Goods and Services	1,749,352.06			1,749,352.06
Other Revenues	55,019,696.64			55,019,696.64
<b>Total Revenue</b>	<b>1,324,319,068.87</b>	<b>0.00</b>	<b>0.00</b>	<b>1,324,319,068.87</b>
<b>EXPENDITURES</b>				
Salaries and Wages	124,582,013.63		7,730.82	124,589,744.45
Payroll Related Costs	61,726,530.77			61,726,530.77
Professional Fees and Services	27,348,833.46			27,348,833.46
Travel	1,551,846.66			1,551,846.66
Materials and Supplies	11,248,900.23			11,248,900.23
Communication and Utilities	7,197,845.09			7,197,845.09
Repairs and Maintenance	6,302,945.76			6,302,945.76
Rentals and Leases	2,523,777.47			2,523,777.47
Printing and Reproduction	243,062.32			243,062.32
Claims and Judgements	160,000.00			160,000.00
Federal Pass-Through Expenditures	51,859,795.65			51,859,795.65
State Grant Pass-Through Expenditures	4,352,888.69			4,352,888.69
Intergovernmental Payments	64,584,678.95			64,584,678.95
Public Assistance Payments	872,459,536.05			872,459,536.05
Other Operating Expenditures	5,854,458.82			5,854,458.82
Capital Outlay	8,420,279.71	(8,420,279.71)		0.00
Depreciation Expense (Note 2)		1,264,708.57		1,264,708.57
Amortization Expense (Note 2)		309,545.87		309,545.87
<b>Total Expenditures</b>	<b>1,250,417,393.26</b>	<b>(6,846,025.27)</b>	<b>7,730.82</b>	<b>1,243,579,098.81</b>
<b>EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 73,901,675.61</b>	<b>\$ 6,846,025.27</b>	<b>\$ (7,730.82)</b>	<b>\$ 80,739,970.06</b>

## TEXAS WORKFORCE COMMISSION (320)

**EXHIBIT II**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN**  
**FUND BALANCES / STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS**  
For the Year Ended August 31, 2015

	Governmental Fund Types			Statement of Activities
	General Funds (Exhibit A-2)	Capital Asset Adjustments	Long-Term Liabilities Adjustment	
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Capital Assets	1,231,402.25	(1,231,402.25)		0.00
Transfers In (Note 12)	\$ 193,148,133.74	\$	\$	\$ 193,148,133.74
Transfers Out (Note 12)	(227,576,206.92)			(227,576,206.92)
Legislative Financing Uses	(500,000.00)			(500,000.00)
Gain (Loss) on Sale of Capital Assets		776,831.21		776,831.21
<b>Total Other Financing Sources (Uses)</b>	<b>(33,696,670.93)</b>	<b>(454,571.04)</b>	<b>0.00</b>	<b>(34,151,241.97)</b>
<b>Net Change in Fund Balances / Net Position</b>	<b>40,205,004.68</b>	<b>6,391,454.23</b>	<b>(7,730.82)</b>	<b>46,588,728.09</b>
<b>Fund Financial Statement-Fund Balances</b>				
Fund Balances, September 1, 2014	173,061,825.45			173,061,825.45
Appropriations Lapsed	(7,228.32)			(7,228.32)
<b>FUND BALANCES - August 31, 2015</b>	<b>\$ 213,259,601.81</b>	<b>\$ 6,391,454.23</b>	<b>\$ (7,730.82)</b>	<b>\$ 219,643,325.22</b>
<b>GOVERNMENT-WIDE STATEMENT-NET POSITION</b>				
Change in Net Position	213,259,601.81	6,391,454.23	(7,730.82)	219,643,325.22
Net Position, September 1, 2014		22,450,441.21	(9,786,546.31)	12,663,894.90
Adjustment (Note 14)		(2,549,724.55)		(2,549,724.55)
Net Position, September 1, 2014, as restated	0.00	19,900,716.66	(9,786,546.31)	10,114,170.35
Net Position, August 31, 2015	\$ 213,259,601.81	\$ 26,292,170.89	\$ (9,794,277.13)	\$ 229,757,495.57

## TEXAS WORKFORCE COMMISSION (320)

**EXHIBIT III  
COMBINED STATEMENT OF NET POSITION - PROPRIETARY FUNDS**

For the Year Ended August 31, 2015

	Total Proprietary Funds (Exhibit F-1)
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	
Cash on Hand	\$ 338,085.32
Cash in State Treasury	182,709.36
Short-Term Investments (Note 3)	49,315,647.03
Restricted:	
Cash in State Treasury (Note 3)	47,978,812.19
Cash in Federal Treasury (Note 3)	1,924,430,469.01
Receivables:	
Federal Receivables (Note 24)	654,189.00
Interest and Dividends	7,668,324.41
Accounts Receivable (Note 24)	250,503,740.24
Due from Other Funds (Note 12)	126,538,791.61
Total Current Assets	<u>2,407,610,768.17</u>
Non-Current Assets:	
Receivables:	
Accounts Receivable (Note 24)	43,735,747.13
Total Non-Current Assets	<u>43,735,747.13</u>
<b>Total Assets</b>	<u>2,451,346,515.30</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Payables:	
Accounts Payable	84,657,505.30
Federal Payable	2,723,076.55
Interest Payable	4,556,925.00
Due to Other Funds (Note 12)	122,626,439.64
Revenue Bonds Payable (Note 5)	213,430,907.32
Unearned Revenues	105,971,212.00
Total Current Liabilities	<u>533,966,065.81</u>
Non-Current Liabilities:	
Revenue Bonds Payable (Note 5)	439,198,861.45
Total Non-Current Liabilities	<u>439,198,861.45</u>
<b>Total Liabilities</b>	<u>973,164,927.26</u>
<b>NET POSITION</b>	
Restricted For:	
Unemployment Trust Fund	2,003,818,084.76
Debt Retirement	(525,636,496.72)
<b>Total Net Position</b>	<u>\$ 1,478,181,588.04</u>

## TEXAS WORKFORCE COMMISSION (320)

**EXHIBIT IV**  
**COMBINED STATEMENT OF REVENUES, EXPENSES & CHANGES IN FUND NET POSITION -**  
**PROPRIETARY FUNDS**

For the Year Ended August 31, 2015

	Total Proprietary Funds (Exhibit F-2)
<b>OPERATING REVENUES</b>	
Unemployment Assessment	\$ 2,496,355,476.20
Federal Revenue	99,853,690.83
Other Operating Revenue	167,612,775.98
Total Operating Revenue	<u>2,763,821,943.01</u>
<b>OPERATING EXPENSES</b>	
Unemployment Benefit Payments	2,575,638,070.88
Total Operating Expenses	<u>2,575,638,070.88</u>
<b>OPERATING INCOME (LOSS)</b>	<u>188,183,872.13</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Interest Expense	(9,905,764.79)
Interest and Investment Income	43,266,169.88
Other Non-Operating Expenses	82,777.22
Total Non-Operating Revenues (Expenses)	<u>33,443,182.31</u>
<b>INCOME (LOSS) BEFORE OTHER REVENUES, EXPENSES, GAINS/(LOSSES) AND TRANSFERS</b>	<u>221,627,054.44</u>
<b>OTHER REVENUES (EXPENSES), GAINS/ (LOSSES) AND TRANSFERS</b>	
Transfers In (Note 12)	6,817,036,261.99
Transfers Out (Note 12)	<u>(6,774,221,587.92)</u>
Total Other Revenues (Expenses), Gains/(Losses) and Transfers	<u>42,814,674.07</u>
<b>CHANGE IN NET POSITION</b>	<u>264,441,728.51</u>
<b>NET POSITION, September 1, 2014</b>	1,213,739,859.53
<b>NET POSITION, August 31, 2015</b>	<u>\$ 1,478,181,588.04</u>

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## TEXAS WORKFORCE COMMISSION (320)

**EXHIBIT V****COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**

For the Year Ended August 31, 2015

	Total Proprietary Funds (Exhibit F-3)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Unemployment Assessments	\$ 2,492,236,425.41
Proceeds from Federal Revenue	107,736,949.29
Proceeds from Other Revenue	180,387,388.80
Unemployment Benefit Payments	(2,581,489,200.28)
Net Cash Provided by Operating Activities	<u>198,871,563.22</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
Payment of Principal on Bonds	(324,794,527.31)
Payment of Interest Expense	(15,682,280.27)
Payment of Other Costs of Debt Issuance	(259,672.52)
Transfers from Other Funds	6,837,011,300.81
Transfers to Other Funds	(6,794,181,628.28)
Net Cash Provided by Non-Capital Financing Activities	<u>(297,906,807.57)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest and Investment Income	43,796,777.00
Net Cash Provided by Investing Activities	<u>43,796,777.00</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(55,238,467.35)</u>
Cash and Cash Equivalents, September 1, 2014	<u>2,077,484,190.26</u>
Net Cash and Cash Equivalents, August 31, 2015	<u>\$ 2,022,245,722.91</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>	
Operating Income (Loss)	<u>188,183,872.13</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Operating Income and Cash Flow Categories	
Classification Differences	
Changes in Assets and Liabilities:	
(Increase) Decrease in Receivables	(4,667,927.29)
Increase (Decrease) in Payables	2,852,265.99
Increase (Decrease) in Deferred Revenue	12,503,352.39
Total Adjustments	<u>10,687,691.09</u>
Net Cash Provided by Operating Activities	<u>\$ 198,871,563.22</u>

TEXAS WORKFORCE COMMISSION (320)

**EXHIBIT VI  
COMBINED STATEMENT OF FIDUCIARY NET POSITION -  
FIDUCIARY FUNDS**

For the Year Ended August 31, 2015

	Private Purpose Trust Funds (Exhibit I-1)	Agency Funds (Exhibit J-1)	TOTALS
<b>ASSETS</b>			
Cash and Cash Equivalents			
Cash on Hand	\$ 6,170.97	\$	\$ 6,170.97
Cash in State Treasury	756,878.14	34,466.56	791,344.70
Receivables:			
Interest and Dividends	395.82		395.82
Accounts Receivable (Note 24)	128,126.85	413,487.38	541,614.23
<b>Total Assets</b>	<u>891,571.78</u>	<u>447,953.94</u>	<u>1,339,525.72</u>
<b>LIABILITIES</b>			
Payables:			
Accounts Payable	880,709.72	413,487.38	1,294,197.10
Interest Payable	10,862.06		10,862.06
Funds Held For Others		34,466.56	34,466.56
<b>Total Liabilities</b>	<u>891,571.78</u>	<u>447,953.94</u>	<u>1,339,525.72</u>
<b>NET POSITION</b>			
Held in Trust For:			
Payday Law	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>Total Net Position</b>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

## TEXAS WORKFORCE COMMISSION (320)

**EXHIBIT VII**  
**COMBINED STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
 For the Year Ended August 31, 2015

	Private Purpose Trust Funds (Exhibit I-2)	TOTALS
<b>ADDITIONS</b>		
Investment Income		
From Investing Activities:		
Interest and Investment Income	\$ 4,374.19	\$ 4,374.19
Net Income From Investing Activities	4,374.19	4,374.19
Total Net Investment Income (Loss)	4,374.19	4,374.19
Other Additions		
Collections from Employers for Payday Law Claims	3,699,751.54	3,699,751.54
Total Other Additions	3,699,751.54	3,699,751.54
<b>Total Additions</b>	<b>3,704,125.73</b>	<b>3,704,125.73</b>
<b>DEDUCTIONS</b>		
Settlement of Claims	3,699,751.54	3,699,751.54
Interest Expense	4,374.19	4,374.19
<b>Total Deductions</b>	<b>3,704,125.73</b>	<b>3,704,125.73</b>
<b>INCREASE (DECREASE) IN NET POSITION</b>	<b>0.00</b>	<b>0.00</b>
Net Position, September 1, 2014	0.00	0.00
<b>NET POSITION, August 31, 2015</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>

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**NOTES TO THE FINANCIAL STATEMENTS****NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****ENTITY**

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

The Commission was created by House Bill 1863 in 1995 to create and operate an integrated workforce development system for Texas. The legislation accomplished this through the consolidation of 28 job training, employment and employment-related educational programs from 10 different state entities into the new Workforce Commission. The first transition of programs began on March 1, 1996, and the Commission completed the consolidation and began full operation on June 1, 1996.

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 of this statement. The financial report will be considered for audit by the State Auditor as part of the audit of the State of Texas Comprehensive Annual Financial Report; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

**Component Units*****Blended or Discretely Presented Component Units***

No component units have been identified that should be blended into an appropriate fund or discretely presented.

**FUND STRUCTURE**

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

**Governmental Fund Types & Government-wide Adjustment Fund Types*****General Revenue Funds***

General 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. This fund was created by various legal cites.

Unemployment Compensation Special Administration (Fund 0165) receives penalties and interest collected under the Unemployment Compensation Act and is used for paying costs of administering the Act. This fund was created by TEX. LAB. CODE ANN. §§ 203.002, 203.003, 203.005, 203.201, 203.202, 203.203.

Career School or College Tuition Trust Account (Fund 0925) holds in trust amounts related to the protection of career school or college tuition. This fund was created by TEX. EDUC.CODE ANN. §§ 132.2415, 132.242.

Workforce Commission Federal Fund (Fund 5026) records all transactions related to federal funds received by the Texas Workforce Commission. This fund was created by TEX. GOV'T CODE ANN. ch. 403.

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Employment and Training Investment Holding (Fund 5128) is composed of employment and training investment assessments levied on employers. This fund was created by TEX. LAB. CODE ANN. §204.122.

Jobs and Education For Texans (JET) (Fund 5143) was created to receive legislative appropriations, gifts, grants and donations. Used to provide grants to public junior colleges and public technical institutes under the Jobs and Education for Texans Grant Program. This fund was created by TEX. EDUC. CODE ANN. §134.002.

International Association of Workforce Professionals – Texas Chapter Conference Account (Fund 7999). The IAWP-TC co-hosts the Texas Workforce Conference with the Commission. Although the IAWP-TC is an organization legally separate from the Commission, the financial activities of the IAWP-TC Conference Account are included in the Annual Financial Report of the Commission since these activities are generally initiated and approved by Commission staff. A memo of understanding exists between the IAWP-TC and the Commission that outlines the roles and responsibilities of both parties. This fund is used to record the financial activity of the Conference Account that the IAWP-TC maintains in local bank accounts.

***Capital Asset Adjustments Fund Type***

Capital Assets Adjustment Fund (Fund 0099) is used to convert governmental fund types' capital assets from modified accrual to full accrual.

***Long Term Liabilities Adjustments Fund Type***

Long-Term Liabilities Adjustment Fund (Fund 0098) is used to convert governmental fund types' debt from modified accrual to full accrual.

**Proprietary Fund Types**

***Enterprise Funds***

Enterprise funds account for any activity for which a fee is charged to external users for goods or services. The Texas Workforce Commission accounts for its proprietary activities in five separate funds, when combined, make up the Texas Unemployment Compensation Fund. These funds are discussed below.

Texas Workforce Commission Unemployment Compensation Revenue Bond Fund (Fund 0367) receives proceeds from taxable and non-taxable revenue bond issues and pays bond issuance expenses. However, the proceeds and expenses related to the Series 2014 Revenue Refunding Bonds, as noted in Exhibits F-2 and F-3, were received and paid in the Texas Treasury Safekeeping Trust Company. This fund was created by S.B. 280 and H.B. 3318, 78<sup>th</sup> Leg., R.S.

Texas Workforce Commission Obligation Trust Fund (Fund 0844) is used to facilitate processing and reporting of revenues and expenditures from obligation assessments, and to pay bond obligations and bond administrative expenses. This fund was created by S.B. 280 and H.B. 3318, 78<sup>th</sup> Leg., R.S.

Unemployment Compensation Clearance Account (Fund 0936) is a clearance fund for all money payable to the Unemployment Trust Fund Account (Fund 0938). This fund was created by TEX LAB. CODE ANN. § 203.021.

Unemployment Compensation Benefit Account (Fund 0937) holds such money as is requisitioned from this state's account in the Federal Unemployment Trust Fund (Fund 0938) for paying benefits under the Texas Unemployment Compensation Act. This fund was created by TEX LAB. CODE ANN. § 203.021.

Unemployment Trust Fund Account (Fund 0938) holds money of this state collected under the Old Age and Survivors Insurance Act. The balance of this fund is on deposit with the Treasurer of the United States of America to the credit of this State. This fund was created by TEX LAB. CODE ANN. § 203.021.

### **Fiduciary Fund Types**

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

#### ***Private-Purpose Trust Funds***

Payday Law Wage Determination Trust Fund (Fund 0894) is used to deposit employer remittances from initial wage determinations and to hold in escrow, wages and penalties assessed by the Commission if the party required to pay said wages or penalties files a petition for judicial review in a court of competent jurisdiction contesting the final order. Claims that are not appealed are paid from this fund by processing separate claims through the Comptroller, plus any accrued interest. Appealed claims, after judicial review, are remitted to either the claimant or the party assessed the wage payment or the penalty plus the interest accrued on the escrowed amount. This fund was created by TEX. GOV'T CODE ANN. § 403.031(a) and TEX. LAB. CODE ANN. § 61.056.

#### ***Agency Funds***

Child Labor Penalty (Fund 1000) accumulates administrative penalties assessed under Sec. 51.033. of the Texas Labor Code until they are remitted to the Comptroller of Public Accounts for deposit in the general revenue fund.

Child Support Employee Deductions – Offset Account (Fund 0807) accumulates 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.

Departmental Suspense (Fund 0900) provides a temporary depository for money held in suspense pending final disposition. This fund was created by TEX. GOV'T CODE ANN. §403.035.

Direct Deposit Correction Account (Fund 0980) is used to hold money returned by financial institutions which had been transmitted for direct deposit where problems prevented credit being given to individual depositors. This fund was created by H. B. 889, 67<sup>th</sup> Leg., R.S.

### **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 method basis of accounting. Under the modified accrual, 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 basis of accrual. 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 method of accounting. This includes unpaid Employee Compensable leave, the unmatured debt service (principal and interest) on the general long-term liabilities, long-term capital leases and long-term claims and judgments. The activity will be recognized in these fund types.

Proprietary funds are accounted for on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. Proprietary funds distinguish operating from non-operating items. Operating revenues and expenses result from providing services or producing and delivering goods in connection with the proprietary funds' principal ongoing operations. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets.

## 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).

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

#### ***Cash and Cash Equivalents***

Short-term, highly-liquid investments with an original maturity of three months or less are considered cash equivalents.

#### ***Restricted Assets***

Restricted assets include monies or other resources restricted by legal or contractual requirements. These assets include proceeds of enterprise fund general obligation and revenue bonds and revenues set aside for statutory or contractual requirements.

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

Consumable inventories, including supplies and postage on hand at year-end, are valued at cost based upon the weighted average method of valuation. The consumption method of accounting is used to account for inventories that appear in the governmental and proprietary fund types. The cost of these items is expensed when the items are consumed.

#### ***Capital Assets***

Assets are capitalized using standard capitalization thresholds, established by the Texas Comptroller of Public Accounts, for each major class of asset. The estimated useful life must be in excess of one year. These assets are capitalized at cost or at the appraised fair value as of the date of acquisition. Purchases of assets by governmental funds are reported as expenditures. Depreciation is reported on all 'exhaustible' assets. Assets are depreciated over the estimated useful life of the asset using the straight-line method.

### Liabilities

#### ***Accounts Payable***

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

#### ***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 non-current in the statement of net assets. These obligations are normally paid from the same funding source from which each employee's salary or wage compensation was paid.

#### ***Bonds Payable – Revenue Bonds***

Revenue bonds are accounted for in proprietary funds for business-type activities and in the long-term liabilities adjustment column for governmental activities. These payables are reported as long-term liabilities (current for amounts due within one year) and long-term liabilities (noncurrent for amounts due thereafter in the statement of net assets/balance sheet). The bonds are reported at par, net of unamortized premiums, discounts, issuance costs and gains/(losses) on bond refunding activities.

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**Fund Balance/Net Position**

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

**Fund Balance Components**

**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.

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

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

**Assigned** fund balance includes amounts constrained by the state's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (1) the Texas Legislature or (2) a body (for example, a budget or finance committee) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

**Unassigned** fund balance is the residual classification for the general fund. This classification represents fund balance that was not assigned to other funds and was not restricted, committed or assigned to specific purposes within the general fund.

**Invested in Capital Assets, Net of Related Debt**

Invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bond, notes and other debt that are attributed to the acquisition, construction or improvement of those assets.

**Restricted Net Position**

Restricted net position results when constraints placed on net resources are either externally imposed by creditors, grantors, contributors and the like or imposed by law through constitutional provisions or enabling legislation.

**Restricted for Unemployment Trust Fund** represents designated funds available for payment of unemployment benefit claims.

**Restricted for Debt Retirement** represents designated funds available for retirement of debt.

**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****Transfers**

Legally required transfers that are reported when incurred as "Transfers In" by the recipient fund and as "Transfers Out" by the disbursing fund.

***Reimbursements***

Reimbursements are repayments from funds responsible for expenditures or expenses to funds that made the actual payment. Reimbursements of expenditures made by one fund for another are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund. Reimbursements are not displayed in the financial statements.

***Interfund Receivables and Payables***

Interfund loans are reported as interfund receivables and payables. If repayment is due during the current year or soon thereafter it is classified as 'Current'; repayment for two (or more) years is classified as 'Non-Current'.

**NOTE 2: CAPITAL ASSETS**

	PRIMARY GOVERNMENT								Balance 08/31/15
	Balance 09/01/14	Completed Construction In Progress	Increase Interagency Transfers	Decrease Interagency Transfers	Adjustments	Additions	Deletions		
<b>Governmental Activities:</b>									
<b>Non-Depreciable or Non-Amortizable Assets</b>									
Land and Land Improvements	\$ 4,796,707.23	\$	\$	\$	\$	\$ (94,750.00)	\$	\$ 4,701,957.23	
*Construction In Progress	9,043,161.89	(3,565,105.80)			(2,549,724.55)	8,237,270.78		11,165,602.32	
Total Non-Depreciable or Non-Amortizable Assets:	13,839,869.12	(3,565,105.80)	0.00	0.00	(2,549,724.55)	8,237,270.78	(94,750.00)	15,867,559.55	
<b>Depreciable Assets:</b>									
Buildings and Building Improvements	33,188,151.32					(323,390.37)		32,864,760.95	
Infrastructure	2,156,234.96					(2,156,234.96)		0.00	
Furniture and Equipment	7,530,553.41			(184,082.00)		183,008.93		7,224,319.07	
Vehicles, Boats & Aircraft	259,938.52							259,938.52	
Total Depreciable Assets	43,134,878.21	0.00	0.00	(184,082.00)	0.00	183,008.93	(2,784,786.60)	40,349,018.54	
Less Accumulated Depreciation For:									
Buildings and Building Improvements	(26,220,642.70)					(759,526.52)	307,220.85	(26,672,948.37)	
Infrastructure	(1,756,110.48)					(56,472.96)	1,812,583.44	0.00	
Furniture and Equipment	(6,451,361.52)			184,082.00		(427,584.17)	305,161.27	(6,389,702.42)	
Vehicles, Boats & Aircraft	(162,960.31)					(21,124.92)		(184,085.23)	
Total Accumulated Depreciation	(34,591,075.01)	0.00	0.00	184,082.00	0.00	(1,264,708.57)	2,424,965.56	(33,246,736.02)	
Depreciable Assets, Net	8,543,803.20	0.00	0.00	0.00	0.00	(1,081,699.64)	(359,821.04)	7,102,282.52	
<b>Amortizable Assets – Intangible:</b>									
Computer Software	14,350,950.45	3,565,105.80					0.00	17,916,056.25	
Total Amortizable Assets – Intangible	14,350,950.45	3,565,105.80	0.00	0.00	0.00	0.00	0.00	17,916,056.25	
Less Accumulated Amortization for:									
Computer Software	(14,284,181.56)					(309,545.87)	0.00	(14,593,727.43)	
Total Accumulated Amortization	(14,284,181.56)	0.00	0.00	0.00	0.00	(309,545.87)	0.00	(14,593,727.43)	
Amortizable Assets – Intangible, Net	66,768.89	3,565,105.80	0.00	0.00	0.00	(309,545.87)	0.00	3,322,328.82	
<b>Governmental Activities Capital Assets, Net:</b>	\$ 22,450,441.21	\$ 0.00	\$ 0.00	\$ 0.00	\$ (2,549,724.55)	\$ 6,846,025.27	\$ (454,571.04)	\$ 26,292,170.89	

\*Two internally generated software projects started in previous years were cancelled during FY 2015 (\$2,549,724.55) and two were completed (3,565,105.80). The remainder represents four ongoing projects. Three for the Unemployment Insurance Program, and one for the PeopleSoft 9.1 Financials upgrade.

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**NOTE 3: DEPOSITS, INVESTMENTS, AND REPURCHASE AGREEMENTS****DEPOSITS OF CASH IN BANK**

As of August 31, 2015, the carrying amount of deposits was \$347,255.71 as presented below.

Governmental and Business-Type Activities	
CASH IN BANK – CARRYING AMOUNT	\$ 347,255.71
Total Cash in Bank per AFR	\$ 347,255.71
Governmental Funds Current Assets Cash in Bank – Travel Advance	\$ 25,000.00
Governmental Funds Current Assets Cash in Bank – International Association of Workforce Professionals - Texas Chapter Conference Account	
Star of Texas Credit Union	241,809.46
Public Employees Credit Union	80,446.25
Cash in Bank per AFR	\$ 347,255.71

As of August 31, 2015, the total bank balance was as follows.

Governmental and Business-Type Activities	\$ 341,255.63
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**Custodial Credit Risk** for deposits is the risk that, in the event of the failure of a depository financial institution, the agency will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Agency does not have a deposit policy for custodial credit risk. There were no bank balances that were exposed to custodial credit risks.

**INVESTMENTS**

As required in the Official Statement of the Unemployment Compensation Obligation Assessment Revenue Refunding Bonds, Series 2014, the excess pledged revenues collected by the Obligation Assessment Tax, have been invested in the Federated Tax-Free Obligations Fund held by the Texas Treasury Trust Company. This fund, invests in short-term, high-quality, tax-exempt securities and provides safe harbor with respect to IRS arbitrage regulations.

As of August 31, 2015, the fair value of investments were:

Governmental and Business-Type Activities	
Fixed Income Money Market and Bond Mutual Fund	\$ 49,315,647.03
Total Investments	\$ 49,315,647.03
Proprietary Funds Current Assets Restricted Short-Term Investments	\$ 49,315,647.03
Investments per Exhibits	\$ 49,315,647.03

**Restricted Cash in State Treasury**

Warrants issued from Fund 0937 reduce the Restricted Cash in State Treasury account when they are issued. Funds to cover these warrants are not drawn down until they are presented for payment. The negative Restricted Cash in State Treasury balance in Fund 0937 (Exhibit F-1) is the result of warrants issued but not yet presented for payment.

**Cash in Federal Treasury**

Deposits in the Federal Treasury at August 31, 2015, were \$1,924,430,469.01. Unemployment Compensation funds are deposited with the United States Secretary of the Treasury, to the credit of this State in the Unemployment Trust Fund, established and maintained pursuant to Section 904 of the Social Security Act.

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**NOTE 4: SHORT-TERM DEBT**

During the 73<sup>rd</sup> Legislative Session, legislation was passed which addressed a federal fund cash flow problem affecting state agencies using federal program funds for payroll purposes. The legislation, as codified in V.T.C.A., Government Code, Section 403.092, Chapter 449, Acts of the 73<sup>rd</sup> Legislature, R.S., provides authority for the Comptroller to make temporary transfers (loans) of general revenue under certain conditions to avoid interest liabilities related to the Cash Management Improvement Act (CMIA).

Governmental Activities	Balance 09-01-14	Additions	Reductions	Balance 08-31-15	Amount Due Within One Year
General Revenue Advances	\$ 0.00	\$ 158,704,325.00	\$ 158,704,325.00	\$ 0.00	\$ 0.00
Total Governmental Activities	\$ 0.00	\$ 158,704,325.00	\$ 158,704,325.00	\$ 0.00	\$ 0.00

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

During the year ended August 31, 2015, the following changes occurred in liabilities reported in the general long-term debt account.

**Employee's Compensable Leave**

If a state employee has had continuous employment with the state for at least six months, the state employee is entitled to payment 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 assets. Both an expense and a liability for business-type activities are recorded in the proprietary funds as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. This obligation is usually paid from the same funding source(s) from which the employee's salary or wage compensation was paid.

The changes in Employee's Compensable Leave are reflected in the table below.

Governmental Activities	Balance 09-01-14	Additions	Reductions	Balance 08-31-15	Amount Due Within One Year	Amount Due Thereafter
Compensable Leave	\$ 9,786,546.31	\$ 9,197,268.89	\$ 9,189,538.07	\$ 9,794,277.13	\$ 8,556,118.77	\$ 1,238,158.36
Total Governmental Activities	\$ 9,786,546.31	\$ 9,197,268.89	\$ 9,189,538.07	\$ 9,794,277.13	\$ 8,556,118.77	\$ 1,238,158.36

**Revenue Bonds Payable**

Under the provisions of Title IV, Subtitle A, Section 203.251 of the Labor Code, the Texas Workforce Commission is authorized to seek alternative methods of replenishing the unemployment compensation fund that can reduce the costs of providing these benefits and employers' cost of doing business in the state. With the coordination of the Texas Public Finance Authority (TPFA), the state issued three series of bonds in 2010 to finance the unemployment insurance program. During 2014, as discussed in Note 6, the 2010 bonds were partially refunded with the issuance of two series of refunding bonds.

Detailed information on the bond issuance can be found in Note 6: Bonded Indebtedness.

## TEXAS WORKFORCE COMMISSION (320)

The changes in Bonded Indebtedness are reflected in the table below.

Business-Type Activities	Balance 09-01-14	Additions	Reductions	Other Changes (Premium Amortization)	Balance 08-31-15	Amount Due Within One Year	Amount Due Thereafter
Revenue Bonds Payable	977,424,296.08	0.00	298,080,000.00	(26,714,527.31)	652,629,768.77	213,430,907.32	439,198,861.45
Total Business-Type Activities	\$ 977,424,296.08	\$ 0.00	\$ 298,080,000.00	\$ (26,714,527.31)	\$ 652,629,768.77	\$ 213,430,907.32	\$ 439,198,861.45

**NOTE 6: BOND INDEBTEDNESS****Bonds Payable**

Detailed supplemental bond information is disclosed in Schedule 2A - Miscellaneous Bond Information, Schedule 2B – Changes in Bonded Indebtedness, Schedule 2C – Debt Service Requirements, Schedule 2D – Analysis of Funds Available for Debt Service and Schedule 2F – Early Extinguishment and Refunding.

General information related to bonds is summarized below

**Revenue Bonds**

In November and December of 2010 the Texas Public Finance Authority (TPFA) sold Texas Public Finance Authority Unemployment Compensation Obligation Assessment Bond Revenue Bonds for \$2.1 billion with a net combined prospective interest rate of 2.8%. The bonds were sold in three separate tranches. Series 2010A had a par value of \$1,110,415,000, Series 2010B had a par value of \$549,465,000 and Series 2010C had a par value of \$300,000,000. The Series 2010A and Series 2010B issues were marketed with significant premiums.

These bonds had been issued as a result of the severe economic downturn that began in 2008 which had caused the Texas Unemployment Trust Fund to become insolvent by July 2009. At that time Texas began receiving advances from the federal government under Title XII of the Social Security Act in order to continue to pay unemployment benefits. The Title XII advances that were originally interest free were scheduled to increase to 4.1% in January 2011. Additionally under Title XII of the same act the federal unemployment tax that Texas employers pays to the federal government under the Federal Unemployment Tax Act (FUTA), was scheduled to increase unless Texas paid off the balance of the outstanding federal advances. Of the 2.1 billion in bond proceeds collected, \$1.7 billion was utilized to pay off all outstanding federal advances and the remaining \$400 million was deposited to the Unemployment Trust Fund. This action achieved a significant interest savings as well as avoiding a prospective FUTA tax increase to Texas employers.

On May 15, 2014, the Texas Workforce Commission in coordination with the Texas Public Finance Authority implemented a current and an advanced refunding of a portion of the Texas Public Finance Authority Unemployment Compensation Obligation Assessment Revenue Bonds Series 2010A and 2010B. The Series 2010C bonds had been paid off in January 2013. The purpose of the refunding was to achieve a present value cost savings by refunding a portion of the Series 2010 Bonds, with a combined par value of \$709.8 million and an effective interest rate of 2.54%, and issuing the Texas Public Finance Authority Unemployment Compensation Obligation Assessment Revenue Refunding Bonds Series 2014A and 2014B with a combined par value of \$707.8 million and an effective interest rate of 1.04%.

The estimated principal and interest payments of the Series 2014 bonds were \$24.7 million less than the related principal and interest payments of the Series 2010 bonds that were refunded. This achieved an economic gain of \$24.1 million. This amount is the cash flow difference, above, discounted at the effective interest rate of the Series 2014 bonds.

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By August 31, 2014 the Series 2010B had been completely refunded or defeased. The remaining Series 2010 A bonds, together with the 2014 bonds, are parity bonds, having equal rights to the revenues of the Unemployment Insurance Obligation Tax Collections. The premium on each issue, which is significant, is being amortized over the expected life of the bonds using the effective interest rate method of amortization. All the bonds outstanding are fixed rate and tax-exempt.

The revenue for debt service is being collected through an Unemployment Insurance Obligation Tax Assessment. The Commission is required to set the Obligation Tax Assessment tax at a rate to produce revenues equal to 1.50 times the amount of the bond obligations due in the next year. Because of this requirement the Series 2010A and the Series 2014B bonds will be paid off earlier than their schedule maturities. These bonds are structured with callable and redemptive options to help achieve this goal. It is expected that the Series 2010A issue with a scheduled maturity of July 2017 will be retired in January 2016, and that the Series 2014B issued with a scheduled maturity of January 2019 will be retired in July 2017. The Series 2014A issue will be retired on the scheduled maturity date of January 2017.

**NOTE 7: DERIVATIVE INSTRUMENTS**

Not Applicable.

**NOTE 8: LEASES****Operating Leases**

Included in the expenditures reported in the financial statements are the following amounts of rent paid or due under operating leases.

Fund Type	Amount
General Fund	\$ 376,135.46

Future minimum lease rental payments under non-cancelable operating leases having an initial term in excess of one year are as follows.

Year Ended August 31	Amount
2016	\$ 323,288.32
2017	227,450.48
2018	58,375.07
2019	59,542.55
2020	0.00
Total Minimum Future Lease Rental Payments	\$ 668,656.42

**NOTE 9: PENSION PLANS**

Not Applicable

**NOTE 10: DEFERRED COMPENSATION**

Not Applicable

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

Not Applicable

**NOTE 12: INTERFUND ACTIVITY AND TRANSACTIONS**

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

- ◆ Interfund Receivables or Interfund Payables
- ◆ Due From Other Agencies or Due To Other Agencies
- ◆ Due From Other Funds or Due To Other Funds
- ◆ Operating Transfers In or Operating Transfers Out
- ◆ Legislative Transfers In or Legislative Transfers Out

The agency experienced routine transfers between its funds, and with other state agencies, which included unemployment compensation reimbursements, interest transfers, transfers within the Unemployment Trust Fund, bond proceeds transfers, and transfers to record amortization costs. Repayment of current interfund balances will occur within one year from the date of the financial statements.

Individual balances and activity at August 31, 2015, were as follows.

	INTERFUND RECEIVABLE	INTERFUND PAYABLE	PURPOSE
<b>GENERAL</b>			
<b>Appd Fund 0001, D23 Fund 0001</b>			
(Agency 320, Fund 5026)	\$	\$ 724,776.41	Allocation
<b>Total Appropriated Fund 0001</b>	0.00	724,776.41	
<b>Appd Fund 0165, D23 Fund 0165</b>			
(Agency 320, Fund 5026)		369,113.53	Allocation
<b>Total Appropriated Fund 0165</b>	0.00	369,113.53	
<b>Appd Fund 5026, D23 Fund 5026</b>			
(Agency 320, Fund 0001)	724,776.41		Allocation
(Agency 320, Fund 0165)	369,113.53		Allocation
<b>Total Appropriated Fund 5026</b>	1,093,889.94	0.00	
<b>TOTAL CURRENT INTERFUND RECEIVABLE/PAYABLE</b>	\$ 1,093,889.94	\$ 1,093,889.94	

	DUE FROM OTHER FUNDS	DUE TO OTHER FUNDS	SOURCE
<b>GENERAL</b>			
<b>Appd Fund 0001, Fund 0001</b>			
(Agency 320, Fund 0165)	\$ 2,439.16	\$	Refund UI Reimbursement
(Agency 320, Fund 0925)		467,640.00	Tuition Trust Transfer
(Agency 320, Fund 5026)		1,722,400.69	Inter-Fund Loan
<b>Total Appropriated Fund 0001</b>	2,439.16	2,190,040.69	
<b>Appd Fund 0165, D23 Fund 0165</b>			
(Agency 320, Fund 0001)		2,439.16	Refund UI Reimbursement
(Agency 320, Fund 0936)		3,912,351.97	UC Reimbursement
<b>Total Appropriated Fund 0165</b>	0.00	3,914,791.13	

TEXAS WORKFORCE COMMISSION (320)

	DUE FROM OTHER FUNDS	DUE TO OTHER FUNDS	SOURCE
<b>Appd Fund 0925, D23 Fund 0925</b>			
(Agency 320, Fund 0001)	467,640.00		Tuition Trust Transfer
<b>Total Appropriated Fund 0925</b>	467,640.00	0.00	
<b>Appd Fund 5026, D23 Fund 5026</b>			
(Agency 320, Fund 0001)	1,722,400.69		Inter-Fund Loan
<b>Total Appropriated Fund 5026</b>	1,722,400.69	0.00	
<b>PROPRIETARY</b>			
<b>Appd Fund 0367, D23 Fund 3367</b>			
(Agency 320, Fund 0844)		48.64	Transfer Interest
<b>Total Appropriated Fund 3367</b>	0.00	48.64	
<b>Appd Fund 0844, D23 Fund 0844</b>			
(Agency 320, Fund 3367)	48.64		Transfer Interest
<b>Total Appropriated Fund 0844</b>	48.64	0.00	
<b>Appd Fund 0936, D23 Fund 0936</b>			
(Agency 320, Fund 0165)	3,912,351.97		UC Reimbursement
(Agency 320, Fund 0938)		93,818,623.93	UI Trust Fund Transfer
<b>Total Appropriated Fund 0936</b>	3,912,351.97	93,818,623.93	
<b>Appd Fund 0937, D23 Fund 0937</b>			
(Agency 320, Fund 0938)	28,807,767.07		UI Trust Fund Transfer
<b>Total Appropriated Fund 0937</b>	28,807,767.07	0.00	
<b>Appd Fund 0938, D23 Fund 0938</b>			
(Agency 320, Fund 0936)	93,818,623.93		UI Trust Fund Transfer
(Agency 320, Fund 0937)		28,807,767.07	UI Trust Fund Transfer
<b>Total Appropriated Fund 0938</b>	93,818,623.93	28,807,767.07	
<b>TOTAL DUE FROM/DUE TO OTHER FUNDS</b>	<b>\$ 128,731,271.46</b>	<b>\$ 128,731,271.46</b>	

	DUE FROM OTHER AGENCIES	DUE TO OTHER AGENCIES	SOURCE
<b>GENERAL</b>			
<b>Appd Fund 0001, D23 Fund 0001</b>			
(Agency 711, Fund 7999)	\$	\$ 288,674.70	State Pass Through
(Agency 719, Fund 7999)		32,395.17	State Pass Through
(Agency 787, Fund 7999)		68,575.63	State Pass Through
(Agency 902, Fund 0001)		1,690,368.40	Transfer Lapsed Cash
<b>Total Appropriated Fund 0001</b>	0.00	2,080,013.90	

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	DUE FROM OTHER AGENCIES	DUE TO OTHER AGENCIES	SOURCE
<b>Appd Fund 0165, D23 Fund 0165</b>			
(Agency 739, Fund 0001)	178.44		UC Reimbursement
(Agency 739, Fund 0239)	89.22		UC Reimbursement
<b>Total Appropriated Fund 0165</b>	<b>267.66</b>	<b>0.00</b>	
<b>Appd Fund 5026, D23 Fund 5026</b>			
(Agency 300, Fund 3258)		130,611.90	Federal Pass Through
(Agency 529, Fund 0001)	2,309,338.59		Federal Pass Through
(Agency 530, Fund 0037)		512,778.53	Federal Pass Through
(Agency 701, Fund 0148)		3,857,308.87	Federal Pass Through
(Agency 711, Fund 7999)	474.21	20,658.42	Federal Pass Through
(Agency 712, Fund 7999)		27,830.11	Federal Pass Through
(Agency 713, Fund 7999)		31,469.11	Federal Pass Through
(Agency 716, Fund 7999)		3,481.12	Federal Pass Through
(Agency 719, Fund 7999)		26,081.03	Federal Pass Through
(Agency 721, Fund 7999)		91,230.29	Federal Pass Through
(Agency 729, Fund 7999)		21,497.15	Federal Pass Through
(Agency 738, Fund 7999)		46,674.92	Federal Pass Through
(Agency 739, Fund 7999)		14,013.95	Federal Pass Through
(Agency 743, Fund 7999)		12,002.59	Federal Pass Through
(Agency 784, Fund 7999)		75,214.90	Federal Pass Through
<b>Total Appropriated Fund 5026</b>	<b>2,309,812.80</b>	<b>4,870,852.89</b>	
<b>Appd Fund 5128, D23 Fund 5128</b>			
(Agency 719, Fund 7999)		7,320.91	State Pass Through
<b>Total Appropriated Fund 5128</b>	<b>0.00</b>	<b>7,320.91</b>	
<b>TOTAL DUE FROM/ DUE TO OTHER AGENCIES</b>	<b>\$ 2,310,080.46</b>	<b>\$ 6,958,187.70</b>	

	OPERATING TRANSFERS IN	OPERATING TRANSFERS OUT	PURPOSE
<b>GENERAL</b>			
<b>Appd Fund 0001, D23 Fund 0001</b>	<b>\$</b>	<b>\$</b>	
(Agency 320, Fund 0925)		122,040.00	Tuition Trust Transfer
(Agency 320, Fund 5128)	23,970,070.00		ETIA Transfer To Skills
(Agency 320, Fund 7999)	95,076.82		Reimbursement from IAWP
(Agency 902, Fund 0001)		1,870,021.03	Transfer Lapsed Cash
<b>Total Appropriated Fund 0001</b>	<b>24,065,146.82</b>	<b>1,992,061.03</b>	
<b>Appd Fund 0925, D23 Fund 0925</b>			
(Agency 320, Fund 0001)	122,040.00		Tuition Trust Transfer
<b>Total Appropriated Fund 0925</b>	<b>122,040.00</b>	<b>0.00</b>	
<b>Appd Fund 5026, D23 Fund 5026</b>			
(Agency 903, Fund 5026)	158,704,325.00	158,704,325.00	CMIA Loan and Repayment
<b>Total Appropriated Fund 5026</b>	<b>158,704,325.00</b>	<b>158,704,325.00</b>	

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	OPERATING TRANSFERS IN	OPERATING TRANSFERS OUT	PURPOSE
<b>Appd Fund 5128, D23 Fund 5128</b>			
(Agency 320, Fund 0001)		23,970,070.00	ETIA Transfer to Skills
(Agency 320, Fund 0936)		42,814,674.07	ETIA Transfer to Trust Fund
<b>Total Appropriated Fund 5128</b>	0.00	66,784,744.07	
<b>Appd Fund 5143, D23 Fund 5143</b>			
(Agency 902, Fund 5143)	10,256,621.92		Residual Equity JET Prog
<b>Total Appropriated Fund 5143</b>	10,256,621.92	0.00	
<b>Appd Fund 7999, D23 Fund 7999</b>			
(Agency 320, Fund 0001)		95,076.82	Reimbursement from IAWP
<b>Total Appropriated Fund 7999</b>	0.00	95,076.82	
<b>PROPRIETARY</b>			
<b>Appd Fund 0367, D23 Fund 1367</b>			
(Agency 320, Fund 2844)	205,789,527.31		Bond Fund Transfer
(Agency 320, Fund 3844)	119,005,000.00		Bond Fund Transfer
<b>Appd Fund 0367, D23 Fund 3367</b>			
(Agency 320, Fund 0844)		199.78	Interest Transfer
(Agency 320, Fund 2844)		83,555.07	Bond Fund Transfer
<b>Total Appropriated Fund 0367</b>	324,794,527.31	83,754.85	
<b>Appd Fund 0844, D23 Fund 0844</b>			
(Agency 320, Fund 1844)		7,912.45	Bond Fund Transfer
(Agency 320, Fund 2844)		221,257,085.63	Bond Fund Transfer
(Agency 320, Fund 3844)		129,484,654.24	Bond Fund Transfer
(Agency 320, Fund 3367)	199.78		Interest Transfer
<b>Appd Fund 0844, D23 Fund 1844</b>			
(Agency 320, Fund 0844)	7,912.45		Bond Fund Transfer
<b>Appd Fund 0844, D23 Fund 2844</b>			
(Agency 320, Fund 0844)	221,257,085.63		Bond Fund Transfer
(Agency 320, Fund 1367)		205,789,527.31	Bond Fund Transfer
(Agency 320, Fund 3367)	83,555.07		Bond Fund Transfer
<b>Appd Fund 0844, D23 Fund 3844</b>			
(Agency 320, Fund 0844)	129,484,654.24		Bond Fund Transfer
(Agency 320, Fund 1367)		119,005,000.00	Bond Fund Transfer
<b>Total Appropriated Fund 0844</b>	350,833,407.17	675,544,179.63	
<b>Appd Fund 0936, D23 Fund 0936</b>			
(Agency 320, Fund 0937)	439,530,000.00		UI Trust Fund Transfer
(Agency 320, Fund 0938)		2,707,652,390.86	UI Trust Fund Transfer
(Agency 320, Fund 5128)	42,814,674.07		ETIA Transfer to Trust Fund
<b>Total Appropriated Fund 0936</b>	482,344,674.07	2,707,652,390.86	
<b>Appd Fund 0937, D23 Fund 0937</b>			
(Agency 320, Fund 0936)		439,530,000.00	UI Trust Fund Transfer
(Agency 320, Fund 0938)	2,951,411,262.58		UI Trust Fund Transfer
<b>Total Appropriated Fund 0937</b>	2,951,411,262.58	439,530,000.00	

TEXAS WORKFORCE COMMISSION (320)

	OPERATING TRANSFERS IN	OPERATING TRANSFERS OUT	PURPOSE
<b>Appd Fund 0938, D23 Fund 0938</b>			
(Agency 320, Fund 0936)	2,707,652,390.86		UI Trust Fund Transfer
(Agency 320, Fund 0937)		2,951,411,262.58	UI Trust Fund Transfer
<b>Total Appropriated Fund 0938</b>	<b>2,707,652,390.86</b>	<b>2,951,411,262.58</b>	
<b>TOTAL OPERATING TRANSFERS</b>	<b>\$ 7,010,184,395.73</b>	<b>\$ 7,001,797,794.84</b>	

	LEGISLATIVE TRANSFERS IN	LEGISLATIVE TRANSFERS OUT	PURPOSE
<b>GENERAL</b>			
<b>Appd Fund 0001, D23 Fund 0001</b>			
(Agency 701, Fund 0001)	\$	\$ 500,000.00	Transfer Skills Development Authority to TEA*
<b>Total Appropriated Fund 0001</b>	0.00	500,000.00	
<b>TOTAL LEGISLATIVE FINANCING SOURCES/USES</b>	<b>\$ 0.00</b>	<b>\$ 500,000.00</b>	

\*83<sup>rd</sup> Legislature, Regular Session, Article IX 18.05(3), HB 5

**NOTE 13: CONTINUANCE SUBJECT TO REVIEW**

Under the *Texas Sunset Act*, the Commission will be abolished effective September 1, 2027, unless continued in existence by the 90<sup>th</sup> Legislature as provided by the Act. If abolished, the agency may continue until September 1, 2028, to close out its operations.

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

Two internally generated software projects that were started in previous fiscal years were cancelled during FY 2015.

	General Funds (Fund 5026)
Capital Assets, August 31, 2014	\$ 22,450,441.21
Adjustment:	
Construction In Progress	(2,549,724.55)
Capital Assets, September 1, 2014, as restated	\$ 19,900,716.66

**NOTE 15: CONTINGENCIES AND COMMITMENTS**

The Commission was involved in several lawsuits touching on civil rights, tort claims and unemployment compensation benefits at August 31, 2015, but management feels it is unlikely that the outcome for these claims will materially affect the financial position of the Commission.

One of the lawsuits The Commission is involved in was tried before a Travis County jury in January 2009. The jury awarded the plaintiff \$900,000.00. The Third Court of Appeals modified the judgment, reducing it to approximately \$650,000.00 plus interest. The Office of the Attorney General explored settlement options and filed a Petition for Review with the Texas Supreme Court. The Texas Supreme Court reversed judgment and remanded the case back to the trial court. A full release and settlement agreement was signed on August 11, 2015 and a payment of \$185,000.00 will be made in fiscal year 2016.

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A second lawsuit involved six plaintiffs. In November 2014 there was a partial settlement for five of the six plaintiffs of \$160,000.00. On September 18, 2015, a Travis County jury awarded the sole remaining plaintiff \$173,028.00. A final judgment has not been issued and a decision on whether to settle or appeal the judgment has not been made.

The Career School or College Tuition Trust Fund (0925) provides refunds to students when the school or college they are attending closes and alternative training cannot be obtained. At the end of the year the Commission accrues a liability for these potential refunds, if any, and reflects them in Exhibit A-1. However in some cases the Commission has been unable to obtain any records from certain closed schools. Because the likelihood of refunding tuition in these situations is uncertain, the potential liability to these students is considered contingent. At year end the potential liability arising from these schools is estimated at \$204,960.00.

Sick Leave, the accumulation of which is unlimited, is earned at the rate of eight hours per month and is paid to the employee only in case of illness or to the employee's estate in the event of his/her death while employed by the Commission. The maximum sick leave that may be paid an employee's estate is one-half of the employee's accumulated entitlement or 336 hours, whichever is less. The Commission's policy is to recognize the cost of any sick leave when paid. No liability is recorded in the General Long-Term Liabilities Adjustment Fund type since experience indicates the probability of a material effect on any given year's operations as a result of death or abnormally high rate of illness is minimal.

The Commission, as an administrator of federal funds, awards contracts to subgrantees. The costs incurred by each subgrantee under contract are the responsibility of the Commission. Consequently, the Commission becomes contingently liable for any questioned costs that are ultimately disallowed by the granting federal agency. Although the Commission pursues aggressive debt collection for the subgrantees, collection cannot be assured. As of August 31, 2015, records of the Audit Resolution Unit indicate that federal grantor agency audits identified no questionable cost for which the Texas Workforce Commission is contingently liable.

**NOTE 16: SUBSEQUENT EVENTS**

In October 2015, in accordance with Section 204.123 of the Labor Code, \$23.9 million was transferred from the Employment and Training Investment Holding Fund (5128) to fund the Skills Development program.

**NOTE 17: RISK MANAGEMENT**

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

The Commission assumes substantially all risks associated with tort claims and liability claims due to the performance of its duties. The Commission does purchase liability insurance for Commission owned vehicles. The Commission is not involved in any risk pools with other government entities.

The Commission's liabilities are reported when it is both probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities are re-evaluated periodically to consider current settlements, frequency of claims, past experience, and economic factors.

An annual assessment is paid to the State Office of Risk Management to cover risk management costs. Unemployment benefits are paid as they are claimed. Health insurance is purchased by the state and by each employee through the Employee Retirement System of Texas. Property losses are reported to the State Auditor's Office as they occur.

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The following occurred in fiscal year 2015:

State Office of Risk Management Payment	\$ 551,748.92
Unemployment Insurance Payment	397,214.52
Lost or Stolen Property	67,976.92
<b>TOTAL</b>	<b>\$ 1,016,940.36</b>

**NOTE 18: MANAGEMENT DISCUSSION AND ANALYSIS**

The unemployment rate during state fiscal year 2015 averaged 4.4% as compared to the U.S. average of 5.5%. The Texas and the U.S. averages for the 2014 fiscal year had been 5.6% and 6.6% respectively. Unemployment benefits paid during the fiscal year declined to \$2.58 billion from \$2.73 billion (\$99.8 million in federal benefits and \$2.48 billion in state benefits).

In accordance with House Bill 3062 and Senate Bill 1351 of the 84th Texas Legislature Regular Session, the administration of the Jobs and Education for Texans Grant Program (JET) was transferred from the Texas Comptroller of Public Accounts (Comptroller) to the Texas Workforce Commission (TWC), effective September 1, 2015. The JET program provide grants that help Texans get technical training for careers in fast-growing, "high-demand" occupations. These include high-paying fields such as high-tech manufacturing, computer support, nursing and allied health professions. According to an agreement reached between the Comptroller and TWC the FY 2015 financial activity of JET would be included in the 2015 Annual Financial Report of TWC. This activity is reflected as Fund 5143 in Exhibit A-1 Combining Balance Sheet and Exhibit A-2 the Combining Statement of Revenues, Expenditures & Changes in Fund Balances.

In accordance with House Bill 2732 of the 84th Texas Legislature Regular Session, the Texas Workforce Commission will begin utilizing the Treasury Offset Program (TOP). The TOP program is administered by the U.S. Department of the Treasury's Bureau of Fiscal Service and will assist in the collection of debt by matching a database of certain TWC delinquent debtors against payments scheduled to be paid from the U.S. Treasury. The scheduled payments from the U.S. Treasury are generally in the form of income tax refunds. The Texas Workforce Commission as reflected in Note 24 has significant debt arising from overpayments to unemployment claimants and delinquent taxes. It is expected that this program, which will begin September 2016 will result in enhanced collections. Some of these expected collections can be seen in the Non-Current portion of Accounts Receivable in Exhibit F-1.

During the fiscal year Texas Workforce Commission underwent a review by the Texas Sunset Advisory Commission. The review ultimately resulted the Senate Bill 208, the Texas Workforce Commission (TWC) Sunset bill. This bill requires the transfer of responsibility for the Vocational Rehabilitation, Business Enterprises of Texas, and Older Blind Independent Living programs, as well as the Criss Cole Rehabilitation Center from Texas Department of Assistive and Rehabilitative Services (DARS) to TWC. The Rehabilitation Council of Texas is also included in the transfer. The bill requires the Health and Human Services Transition Legislative Oversight Committee to oversee the transfer of the Vocational Rehabilitation and related programs from DARS to TWC. The transfer will become effective on September 1, 2016

The Workforce Investment and Opportunity Act (WIOA) was signed into law on July 22, 2014. WIOA is designed to help job seekers access employment, education, training, and support services to succeed in the labor market and to match employers with the skilled workers they need to compete in the global economy. WIOA supersedes the Workforce Investment Act of 1998 (WIA) and amends the Adult Education and Family Literacy Act (AEFLA), the Wagner-Peyser Act, and the Rehabilitation Act of 1973. In general, the Act took effect on July 1, 2015, the first full program year after enactment.

**NOTE 19: THE FINANCIAL REPORTING ENTITY**

Not applicable

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

As of October 31, 2015, management is unaware of any material violations of finance-related contract provisions. With regard to compliance and accountability there are the following:

- 1) No expenditures exceeded appropriations in individual funds.
- 2) There were no changes in accounting principles during the year.
- 3) Net assets reported in Fund 0367 were negative at year end. The liability created by the issuance of revenue bonds was reported solely in this fund.

**NOTE 21: RESERVED FOR COMPTROLLER**

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**

Receivables represent amounts due to the State at August 31, 2015, which will be collected in the future. Receivables do not include accounts that have been deemed uncollectible and are recorded in the accompanying Exhibits net of allowances for doubtful amounts.

The disaggregation of those amounts is as follows.

**A. Accounts Receivable Current**

## General Funds:

<b>Fund</b>	<b>Accounts Receivable</b>	<b>Allowance for Doubtful</b>	<b>Net Receivables</b>
Fund 0001 – General	\$ 5,769,581.80	\$ (596,901.42)	\$ 5,172,680.38
Fund 0165 – Penalty & Interest	12,091,993.01	(7,485,977.80)	4,606,015.21
Fund 5026 – Performance Contracts	46,619.96	0.00	46,619.96
Fund 5128 – ETIA	1,545,004.79	(762,087.43)	782,917.36
<b>Total General Funds</b>	<b>\$ 19,453,199.56</b>	<b>\$ (8,844,966.65)</b>	<b>\$ 10,608,232.91</b>

## Proprietary Funds:

<b>Fund</b>	<b>Accounts Receivable</b>	<b>Allowance for Doubtful</b>	<b>Net Receivables</b>
Fund 0844 – Obligation Assessment	\$ 31,251,238.25	\$ (2,681,535.58)	\$ 28,569,702.67
Fund 0936 – Unemployment Assessment	206,771,498.79	(18,614,353.17)	188,157,145.62
Fund 0937 – Benefit Overpayments	177,402,820.63	(160,374,548.23)	17,028,272.40
Fund 0938 – Unemployment Trust Fund Account	16,748,619.55	0.00	16,748,619.55
<b>Total Proprietary Funds</b>	<b>\$ 432,174,177.22</b>	<b>\$ (181,670,436.98)</b>	<b>\$ 250,503,740.24</b>

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Fiduciary Funds:

Fund	Accounts Receivable	Allowance for Doubtful	Net Receivables
Fund 0894 – Payday Law Collections	\$ 19,277,460.15	\$ (19,149,333.30)	\$ 128,126.85
<b>Total Fiduciary Funds</b>	<b>\$ 19,277,460.15</b>	<b>\$ (19,149,333.30)</b>	<b>\$ 128,126.85</b>

Agency Funds:

Fund	Accounts Receivable	Allowance for Doubtful	Net Receivables
Fund 0900 – Departmental Suspense - Settlements	\$ 413,487.38	\$ 0.00	\$ 413,487.38
<b>Total Agency Funds</b>	<b>\$ 413,487.38</b>	<b>\$ 0.00</b>	<b>\$ 413,487.38</b>

**B. Accounts Receivable Non-Current**

General Funds:

Fund	Accounts Receivable	Allowance for Doubtful	Net Receivables
Fund 0165 – Penalty & Interest	\$ 1,658,034.21	\$ (1,374,767.47)	\$ 283,266.74
Fund 5128 – ETIA	516,244.64	(182,240.02)	334,004.62
<b>Total General Funds</b>	<b>\$ 2,174,278.85</b>	<b>\$ (1,557,007.49)</b>	<b>\$ 617,271.36</b>

Proprietary Funds:

Fund	Accounts Receivable	Allowance for Doubtful	Net Receivables
Fund 0844 – Obligation Assessment	\$ 1,793,703.50	\$ (628,180.20)	\$ 1,165,523.30
Fund 0936 – Unemployment Assessment	11,252,820.36	(4,038,440.23)	7,214,380.13
Fund 0937 – Benefit Overpayments	189,800,722.20	(154,444,878.50)	35,355,843.70
<b>Total Proprietary Funds</b>	<b>\$ 202,847,246.06</b>	<b>\$ (159,111,498.93)</b>	<b>\$ 43,735,747.13</b>

**C. Federal Receivables**

Federal receivables, as reported in the General and Consolidated Funds (Exhibit I), are detailed by program as follows:

Federal Receivable Program	Federal Receivables	Allowance for Doubtful	Net Federal Receivable
Department of Agriculture	\$ 316,604.40	\$ 0.00	\$ 316,604.40
Department of Education	2,860,990.33	0.00	2,860,990.33
Department of Health and Human Services	10,248,811.84	0.00	10,248,811.84
Department of Labor	9,090,379.80	0.00	9,090,379.80
Department of Homeland Security	523.29	0.00	523.29
Housing and Urban Development	(37,581.62)	0.00	(37,581.62)
<b>Total Federal Receivables</b>	<b>\$ 22,479,728.04</b>	<b>\$ 0.00</b>	<b>\$ 22,479,728.04</b>

Federal receivables, as reported in the Proprietary Funds (Exhibit III), are detailed by program as follows:

Federal Receivable Program	Federal Receivables	Allowance for Doubtful	Net Federal Receivable
Department of Labor	\$ 654,189.00	\$ 0.00	\$ 654,189.00
<b>Total Federal Receivables</b>	<b>\$ 654,189.00</b>	<b>\$ 0.00</b>	<b>\$ 654,189.00</b>

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**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**

The deferred inflow of resources reflected in Exhibit I and Exhibit A-1 represent accounts receivables arising from tax penalties assessed for Fund 0165, the Unemployment Compensation Special Admin Fund, that are not considered available at fiscal year-end. That is, the \$283,266.74 recorded as Deferred Inflows of Resources in those exhibits represents amounts earned that will not be available to pay current liabilities.

Governmental Funds	Deferred Outflows of Resources	Deferred Inflows of Resources
Revenue Earned But Not Available	\$ 0.00	\$ 283,266.74
Total	\$ 0.00	\$ 283,266.74

**NOTE 29: TROUBLED DEBT RESTRUCTURING**

Not Applicable.

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

Not Applicable.

## TEXAS WORKFORCE COMMISSION (320)

**EXHIBIT A-1****COMBINING BALANCE SHEET - ALL GENERAL AND CONSOLIDATED FUNDS**

For the Year Ended August 31, 2015

	General Revenue (Fund 0001) U/F (0001)	Consolidated Accounts	Consolidated Accounts
		Unemployment Compensation Special Admin (Fund 0165) U/F (0165, 9000)	Career School or College Tuition Trust Account (Fund 0925) U/F (0925)
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents			
Cash on Hand	\$ 234,543.71	\$ 6,457.16	\$
Cash in Bank (Note 3)			
Cash in State Treasury		17,432,775.50	1,000,000.00
Legislative Appropriations	52,488,996.47		
Receivables:			
Federal Receivables (Note 24)			
Interest and Dividends	1,111.18		
Accounts Receivable (Note 24)	5,172,680.38	4,606,015.21	
Interfund Receivable (Note 12)			
Due from Other Funds (Note 12)	2,439.16		467,640.00
Due from Other Agencies (Note 12)		267.66	
Consumable Inventories			
Total Current Assets	<u>57,899,770.90</u>	<u>22,045,515.53</u>	<u>1,467,640.00</u>
Non-Current Assets:			
Accounts Receivable		283,266.74	
Total Non-Current Assets	<u>0.00</u>	<u>283,266.74</u>	<u>0.00</u>
<b>Total Assets</b>	<b>\$ <u>57,899,770.90</u></b>	<b>\$ <u>22,328,782.27</u></b>	<b>\$ <u>1,467,640.00</u></b>
<b>LIABILITIES AND FUND BALANCES</b>			
Current Liabilities:			
Payables:			
Accounts Payable	5,494,381.07	85,657.71	467,640.00
Payroll Payable			
Interfund Payable (Note 12)	724,776.41	369,113.53	
Unearned Revenues	55,143.00	49,989.61	
Due to Other Funds (Note 12)	2,190,040.69	3,914,791.13	
Due to Other Agencies (Note 12)	2,080,013.90		
Total Current Liabilities	<u>10,544,355.07</u>	<u>4,419,551.98</u>	<u>467,640.00</u>
<b>Total Liabilities</b>	<u>10,544,355.07</u>	<u>4,419,551.98</u>	<u>467,640.00</u>
Deferred Inflows of Resources		283,266.74	
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>10,544,355.07</u>	<u>4,702,818.72</u>	<u>467,640.00</u>

UNAUDITED

TEXAS WORKFORCE COMMISSION (320)

<u>Consolidated Accounts</u>	<u>Consolidated Accounts</u>	<u>Consolidated Accounts</u>	<u>Consolidated Accounts</u>	<u>TOTALS</u>
Workforce Commission Federal (Fund 5026) U/F (5026)	Employment and Training Investment Holding (Fund 5128) U/F (5128)	Jobs and Education for Texans (JET) (Fund 5143) U/F (5143)	International Association of Workforce Professionals Texas Chapter Conference Account (Fund 7999) U/F (9999)	
\$ 17,163.61	\$	\$	\$ 322,255.71	\$ 258,164.48
25,000.00				347,255.71
18,019,001.76	136,817,604.50	2,417,592.70		175,686,974.46
				52,488,996.47
22,479,728.04				22,479,728.04
46,619.96	782,917.36			1,111.18
1,093,889.94				10,608,232.91
1,722,400.69				1,093,889.94
2,309,812.80				2,192,479.85
1,652,390.40				2,310,080.46
47,366,007.20	137,600,521.86	2,417,592.70	322,255.71	1,652,390.40
				269,119,303.90
	334,004.62			617,271.36
0.00	334,004.62	0.00	0.00	617,271.36
\$ 47,366,007.20	\$ 137,934,526.48	\$ 2,417,592.70	\$ 322,255.71	\$ 269,736,575.26
22,453,800.79	50,720.78			28,552,200.35
13,073,964.29				13,073,964.29
				1,093,889.94
250,000.00			55,500.00	410,632.61
				6,104,831.82
4,870,852.89	7,320.91			6,958,187.70
40,648,617.97	58,041.69	0.00	55,500.00	56,193,706.71
40,648,617.97	58,041.69	0.00	55,500.00	56,193,706.71
				283,266.74
40,648,617.97	58,041.69	0.00	55,500.00	56,476,973.45

TEXAS WORKFORCE COMMISSION (320)

**EXHIBIT A-1**  
**COMBINING BALANCE SHEET - ALL GENERAL AND CONSOLIDATED FUNDS**  
 For the Year Ended August 31, 2015

	General Revenue (Fund 0001) U/F (0001)	Consolidated Accounts  Unemployment Compensation Special Admin (Fund 0165) U/F (0165, 9000)	Consolidated Accounts  Career School or College Tuition Trust Account (Fund 0925) U/F (0925)
<b>Fund Financial Statement-Fund Balances</b>			
Fund Balances (Deficits):			
Non-Spendable			
Restricted			
Committed		17,625,963.55	1,000,000.00
Assigned	43,250,606.97		
Unassigned	4,104,808.86		
<b>Total Fund Balances</b>	<u>47,355,415.83</u>	<u>17,625,963.55</u>	<u>1,000,000.00</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 57,899,770.90</u>	<u>\$ 22,328,782.27</u>	<u>\$ 1,467,640.00</u>

\* See Note 16 for additional details.

UNAUDITED

TEXAS WORKFORCE COMMISSION (320)

<u>Consolidated Accounts</u>	<u>Consolidated Accounts</u>	<u>Consolidated Accounts</u>	<u>Consolidated Accounts</u>	<u>TOTALS</u>
Workforce Commission Federal (Fund 5026) U/F (5026)	Employment and Training Investment Holding (Fund 5128) U/F (5128)	Jobs and Education for Texans (JET) (Fund 5143) U/F (5143)	International Association of Workforce Professionals Texas Chapter Conference Account (Fund 7999) U/F (9999)	
1,652,390.40				1,652,390.40
5,064,998.83				5,064,998.83
	137,876,484.79 *	2,417,592.70		158,920,041.04
			266,755.71	43,517,362.68
				4,104,808.86
<u>6,717,389.23</u>	<u>137,876,484.79</u>	<u>2,417,592.70</u>	<u>266,755.71</u>	<u>213,259,601.81</u>
<u>\$ 47,366,007.20</u>	<u>\$ 137,934,526.48</u>	<u>\$ 2,417,592.70</u>	<u>\$ 322,255.71</u>	<u>\$ 269,736,575.26</u>

TEXAS WORKFORCE COMMISSION (320)

**EXHIBIT A-2**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN**  
**FUND BALANCES - ALL GENERAL AND CONSOLIDATED FUNDS**  
 For the Year Ended August 31, 2015

	General Revenue (Fund 0001) U/F (0001)	Consolidated Accounts  Unemployment Compensation Special Admin (Fund 0165) U/F (0165, 9000)	Consolidated Accounts  Career School or College Tuition Trust Account (Fund 0925) U/F (0925)
<b>REVENUES:</b>			
Legislative Appropriations			
Original Appropriations (GR)	\$ 105,669,306.00	\$	\$
Additional Appropriations (GR)	5,526,746.70		
Federal Revenue			
Federal Pass-Through Revenue			
Licenses, Fees and Permits	2,739,827.07	13,124,865.76	
Interest and Investment Income	53,756.66		
Land Income			
Sales of Goods and Services	302,058.44		
Other Revenues	55,019,696.64		
<b>Total Revenue</b>	<b>169,311,391.51</b>	<b>13,124,865.76</b>	<b>0.00</b>
<b>EXPENDITURES</b>			
Salaries and Wages	7,093,503.91	3,496,591.96	
Payroll Related Costs	2,131,508.84	7,545,030.11 *	
Professional Fees and Services	329,485.34	229,056.92	
Travel	306,200.37	66,429.97	
Materials and Supplies	591,893.74	233,983.47	
Communication and Utilities	299,548.22	300,385.07	
Repairs and Maintenance	128,871.41	160,439.97	
Rentals and Leases	275,666.51	103,045.51	
Printing and Reproduction	162,386.93	1,532.90	
Claims and Judgements	160,000.00		
Federal Pass-Through Expenditures			
State Grant Pass-Through Expenditures	3,820,725.30		
Intergovernmental Payments	28,425,836.94		
Public Assistance Payments	147,002,895.17	4,557.47	122,040.00
Other Operating Expenditures	683,321.14	246,974.93	
Capital Outlay	23,529.54	30,377.13	
<b>Total Expenditures</b>	<b>191,435,373.36</b>	<b>12,418,405.41</b>	<b>122,040.00</b>
<b>EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (22,123,981.85)</b>	<b>\$ 706,460.35</b>	<b>\$ (122,040.00)</b>

\* This amount includes \$6,137,371.88 in Unemployment Insurance payments made to former state employees on behalf of other agencies.

UNAUDITED

TEXAS WORKFORCE COMMISSION (320)

Consolidated Accounts	Consolidated Accounts	Consolidated Accounts	Consolidated Accounts	TOTALS
Workforce Commission Federal (Fund 5026) U/F (5026)	Employment and Training Investment Holding (Fund 5128) U/F (5128)	Jobs and Education for Texans (JET) (Fund 5143) U/F (5143)	International Association of Workforce Professionals Texas Chapter Conference Account (Fund 7999) U/F (9999)	
\$	\$	\$	\$	\$
				105,669,306.00
				5,526,746.70
938,868,849.98				938,868,849.98
95,523,034.32				95,523,034.32
219,182.57	105,424,102.67		387,813.75	121,895,791.82
11,498.56			438.60	65,693.82
597.53				597.53
1,424,293.62			23,000.00	1,749,352.06
				55,019,696.64
<u>1,036,047,456.58</u>	<u>105,424,102.67</u>	<u>0.00</u>	<u>411,252.35</u>	<u>1,324,319,068.87</u>
113,991,917.76				124,582,013.63
52,049,991.82				61,726,530.77
26,715,391.96			74,899.24	27,348,833.46
1,179,216.32				1,551,846.66
9,780,327.75	386,230.00		256,465.27	11,248,900.23
6,597,911.80				7,197,845.09
6,013,634.38				6,302,945.76
2,145,065.45				2,523,777.47
77,620.26			1,522.23	243,062.32
				160,000.00
51,859,795.65				51,859,795.65
	532,163.39			4,352,888.69
27,037,376.60	1,282,436.19	7,839,029.22		64,584,678.95
725,330,043.41				872,459,536.05
4,910,647.66			13,515.09	5,854,458.82
8,351,351.06			15,021.98	8,420,279.71
<u>1,036,040,291.88</u>	<u>2,200,829.58</u>	<u>7,839,029.22</u>	<u>361,423.81</u>	<u>1,250,417,393.26</u>
<u>7,164.70</u>	<u>103,223,273.09</u>	<u>(7,839,029.22)</u>	<u>49,828.54</u>	<u>73,901,675.61</u>

TEXAS WORKFORCE COMMISSION (320)

**EXHIBIT A-2**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN**  
**FUND BALANCES - ALL GENERAL AND CONSOLIDATED FUNDS**  
 For the Year Ended August 31, 2015

	General Revenue (Fund 0001) U/F (0001)	Consolidated Accounts  Unemployment Compensation Special Admin (Fund 0165) U/F (0165, 9000)	Consolidated Accounts  Career School or College Tuition Trust Account (Fund 0925) U/F (0925)
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of Capital Assets	\$	\$	\$
Transfers In (Note 12)	24,065,146.82		122,040.00
Transfers Out (Note 12)	(1,992,061.03)		
Legislative Financing Uses (Note 12)	(500,000.00)		
<b>Total Other Financing Sources (Uses)</b>	<u>21,573,085.79</u>	<u>0.00</u>	<u>122,040.00</u>
<b>Net Change in Fund Balances</b>	<u>(550,896.06)</u>	<u>706,460.35</u>	<u>0.00</u>
<b>Fund Financial Statement-Fund Balances</b>			
Fund Balances, September 1, 2014	47,913,540.21	16,919,503.20	1,000,000.00
Appropriations Lapsed	<u>(7,228.32)</u>		
<b>FUND BALANCES - August 31, 2015</b>	<u>\$ 47,355,415.83</u>	<u>\$ 17,625,963.55</u>	<u>\$ 1,000,000.00</u>

UNAUDITED

TEXAS WORKFORCE COMMISSION (320)

Consolidated Accounts	Consolidated Accounts	Consolidated Accounts	Consolidated Accounts	TOTALS
Workforce Commission Federal (Fund 5026) U/F (5026)	Employment and Training Investment Holding (Fund 5128) U/F (5128)	Jobs and Education for Texans (JET) (Fund 5143) U/F (5143)	International Association of Workforce Professionals Texas Chapter Conference Account (Fund 7999) U/F (9999)	
\$ 1,231,402.25	\$	\$	\$	\$ 1,231,402.25
158,704,325.00		10,256,621.92		193,148,133.74
(158,704,325.00)	(66,784,744.07)		(95,076.82)	(227,576,206.92)
				(500,000.00)
<u>1,231,402.25</u>	<u>(66,784,744.07)</u>	<u>10,256,621.92</u>	<u>(95,076.82)</u>	<u>(33,696,670.93)</u>
<u>1,238,566.95</u>	<u>36,438,529.02</u>	<u>2,417,592.70</u>	<u>(45,248.28)</u>	<u>40,205,004.68</u>
<u>5,478,822.28</u>	<u>101,437,955.77</u>	<u>0.00</u>	<u>312,003.99</u>	<u>173,061,825.45</u>
				<u>(7,228.32)</u>
<u>\$ 6,717,389.23</u>	<u>\$ 137,876,484.79</u>	<u>\$ 2,417,592.70</u>	<u>\$ 266,755.71</u>	<u>\$ 213,259,601.81</u>

## TEXAS WORKFORCE COMMISSION (320)

**EXHIBIT F-1****COMBINING STATEMENT OF NET POSITION - ENTERPRISE FUNDS**

For the Year Ended August 31, 2015

	TWC Unemployment Compensation Revenue Bond Fund (Fund 0367) <u>U/F (0367, 1367, 3367)</u>	TWC Obligation Trust Fund (Fund 0844) U/F (0844, 1844, 2844, 3844)
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents		
Cash on Hand	\$	\$
Cash in State Treasury		
Short-Term Investments (Note 3)		49,315,647.03
Restricted:		
Cash in State Treasury (Note 3)	48.64	52,484,197.93
Cash in Federal Treasury (Note 3)		
Receivables:		
Federal Receivables (Note 24)		
Interest and Dividends		17,777.48
Accounts Receivable (Note 24)		28,569,702.67
Due from Other Funds (Note 12)		48.64
Total Current Assets	<u>48.64</u>	<u>130,387,373.75</u>
Non-Current Assets:		
Receivables:		
Accounts Receivable (Note 24)		1,165,523.30
Total Non-Current Assets	<u>0.00</u>	<u>1,165,523.30</u>
<b>Total Assets</b>	<u>48.64</u>	<u>131,552,897.05</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Payables:		
Accounts Payable		2,700.00
Federal Payable		
Interest Payable		4,556,925.00
Due to Other Funds (Note 12)	48.64	
Revenue Bonds Payable (Note 5)	213,430,907.32	
Unearned Revenues		
Total Current Liabilities	<u>213,430,955.96</u>	<u>4,559,625.00</u>
Non-Current Liabilities:		
Revenue Bonds Payable (Note 5)	439,198,861.45	
Total Non-Current Liabilities	<u>439,198,861.45</u>	<u>0.00</u>
<b>Total Liabilities</b>	<u>652,629,817.41</u>	<u>4,559,625.00</u>
<b>NET POSITION</b>		
Restricted For:		
Unemployment Trust Fund		
Debt Retirement	(652,629,768.77)	126,993,272.05
<b>Total Net Position</b>	<u>\$ (652,629,768.77)</u>	<u>\$ 126,993,272.05</u>

UNAUDITED

TEXAS WORKFORCE COMMISSION (320)

Unemployment Compensation Clearance Account (Fund 0936) U/F (0936, 9001)	Unemployment Compensation Benefit Account (Fund 0937) U/F (0937)	Unemployment Trust Fund Account (Fund 0938) U/F (0938)	TOTALS
\$ 321,381.52	\$ 16,703.80	\$	\$ 338,085.32
182,709.36			182,709.36
			49,315,647.03
	(4,505,434.38)		47,978,812.19
		1,924,430,469.01	1,924,430,469.01
	654,189.00		654,189.00
1,867.33	169.41	7,648,510.19	7,668,324.41
188,157,145.62	17,028,272.40	16,748,619.55	250,503,740.24
3,912,351.97	28,807,767.07	93,818,623.93	126,538,791.61
<u>192,575,455.80</u>	<u>42,001,667.30</u>	<u>2,042,646,222.68</u>	<u>2,407,610,768.17</u>
7,214,380.13	35,355,843.70		43,735,747.13
<u>7,214,380.13</u>	<u>35,355,843.70</u>	0.00	<u>43,735,747.13</u>
<u>199,789,835.93</u>	<u>77,357,511.00</u>	<u>2,042,646,222.68</u>	<u>2,451,346,515.30</u>
	77,357,511.00	7,297,294.30	84,657,505.30
		2,723,076.55	2,723,076.55
93,818,623.93		28,807,767.07	4,556,925.00
			122,626,439.64
105,971,212.00			213,430,907.32
<u>199,789,835.93</u>	<u>77,357,511.00</u>	<u>38,828,137.92</u>	<u>105,971,212.00</u>
			533,966,065.81
			439,198,861.45
<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>439,198,861.45</u>
<u>199,789,835.93</u>	<u>77,357,511.00</u>	<u>38,828,137.92</u>	<u>973,164,927.26</u>
		2,003,818,084.76	2,003,818,084.76
<u>0.00</u>	<u>0.00</u>	<u>2,003,818,084.76</u>	<u>(525,636,496.72)</u>
<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 2,003,818,084.76</u>	<u>\$ 1,478,181,588.04</u>

## TEXAS WORKFORCE COMMISSION (320)

**EXHIBIT F-2****COMBINING STATEMENT OF REVENUES, EXPENSES & CHANGES IN FUND NET POSITION -  
ENTERPRISE FUNDS**

For the Year Ended August 31, 2015

	TWC Unemployment Compensation Revenue Bond Fund (Fund 0367) U/F (0367, 1367, 3367)*	TWC Obligation Trust Fund (Fund 0844) U/F (0844, 1844, 2844, 3844)
<b>OPERATING REVENUES</b>		
Unemployment Assessment	\$	\$ 349,707,440.80
Federal Revenue		
Other Operating Revenue		
Total Operating Revenue	<u>0.00</u>	<u>349,707,440.80</u>
<b>OPERATING EXPENSES</b>		
Unemployment Benefit Payments		
Total Operating Expenses	<u>0.00</u>	<u>0.00</u>
<b>OPERATING INCOME (LOSS)</b>	<u>0.00</u>	<u>349,707,440.80</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Interest Expense		(9,905,764.79)
Interest and Investment Income	365.18	242,351.53
Other Non-Operating Expenses	83,389.67	(612.45)
Total Non-Operating Revenues (Expenses)	<u>83,754.85</u>	<u>(9,664,025.71)</u>
<b>INCOME (LOSS) BEFORE OTHER REVENUES, EXPENSES, GAINS/(LOSSES) AND TRANSFERS</b>	<u>83,754.85</u>	<u>340,043,415.09</u>
<b>OTHER REVENUES (EXPENSES), GAINS/ (LOSSES) AND TRANSFERS</b>		
Transfers In (Note 12)	324,794,527.31	350,833,407.17
Transfers Out (Note 12)	<u>(83,754.85)</u>	<u>(675,544,179.63)</u>
Total Other Revenues (Expenses), Gains/(Losses) and Transfers	<u>324,710,772.46</u>	<u>(324,710,772.46)</u>
<b>CHANGE IN NET POSITION</b>	<u>324,794,527.31</u>	<u>15,332,642.63</u>
<b>NET POSITION, September 1, 2014</b>	(977,424,296.08)	111,660,629.42
<b>NET POSITION, August 31, 2015</b>	\$ <u><u>(652,629,768.77)</u></u>	\$ <u><u>126,993,272.05</u></u>

UNAUDITED

TEXAS WORKFORCE COMMISSION (320)

Unemployment Compensation Clearance Account (Fund 0936) U/F (0936, 9001)	Unemployment Compensation Benefit Account (Fund 0937) U/F (0937)	Unemployment Trust Fund Account (Fund 0938) U/F (0938)	TOTALS
2,146,648,035.40	\$ 27,200,319.68	\$ 72,653,371.15	\$ 2,496,355,476.20
78,639,024.32	250,653.58	88,723,098.08	99,853,690.83
<u>2,225,287,059.72</u>	<u>27,450,973.26</u>	<u>161,376,469.23</u>	<u>2,763,821,943.01</u>
	<u>2,539,338,041.50</u>	<u>36,300,029.38</u>	<u>2,575,638,070.88</u>
0.00	<u>2,539,338,041.50</u>	<u>36,300,029.38</u>	<u>2,575,638,070.88</u>
<u>2,225,287,059.72</u>	<u>(2,511,887,068.24)</u>	<u>125,076,439.85</u>	<u>188,183,872.13</u>
			(9,905,764.79)
20,657.07	5,805.66	42,996,990.44	43,266,169.88
<u>20,657.07</u>	<u>5,805.66</u>	<u>42,996,990.44</u>	<u>82,777.22</u>
			<u>33,443,182.31</u>
<u>2,225,307,716.79</u>	<u>(2,511,881,262.58)</u>	<u>168,073,430.29</u>	<u>221,627,054.44</u>
482,344,674.07	2,951,411,262.58	2,707,652,390.86	6,817,036,261.99
<u>(2,707,652,390.86)</u>	<u>(439,530,000.00)</u>	<u>(2,951,411,262.58)</u>	<u>(6,774,221,587.92)</u>
<u>(2,225,307,716.79)</u>	<u>2,511,881,262.58</u>	<u>(243,758,871.72)</u>	<u>42,814,674.07</u>
0.00	0.00	(75,685,441.43)	264,441,728.51
0.00	0.00	2,079,503,526.19	1,213,739,859.53
<u>0.00</u>	<u>\$ 0.00</u>	<u>\$ 2,003,818,084.76</u>	<u>\$ 1,478,181,588.04</u>



UNAUDITED

TEXAS WORKFORCE COMMISSION (320)

Unemployment Compensation Clearance Account (Fund 0936) U/F (0936, 9001)	Unemployment Compensation Benefit Account (Fund 0937) U/F (0937)	Unemployment Trust Fund Account (Fund 0938) U/F (0938)	TOTALS
2,144,357,023.48	\$ 27,420,139.68	\$ 80,316,809.61	\$ 2,492,236,425.41
94,364,482.78	250,653.58	85,772,252.44	107,736,949.29
	(2,547,181,255.89)	(34,307,944.39)	180,387,388.80
<u>2,238,721,506.26</u>	<u>(2,519,510,462.63)</u>	<u>131,781,117.66</u>	<u>(2,581,489,200.28)</u>
			198,871,563.22
			(324,794,527.31)
			(15,682,280.27)
			(259,672.52)
482,359,672.53	2,957,976,699.77	2,721,046,386.52	6,837,011,300.81
(2,721,046,386.52)	(439,530,000.00)	(2,957,976,699.77)	(6,794,181,628.28)
<u>(2,238,686,713.99)</u>	<u>2,518,446,699.77</u>	<u>(236,930,313.25)</u>	<u>(297,906,807.57)</u>
19,410.40	5,636.25	43,530,326.01	43,796,777.00
<u>19,410.40</u>	<u>5,636.25</u>	<u>43,530,326.01</u>	<u>43,796,777.00</u>
54,202.67	(1,058,126.61)	(61,618,869.58)	(55,238,467.35)
449,888.21	(3,430,603.97)	1,986,049,338.59	2,077,484,190.26
<u>504,090.88</u>	<u>(4,488,730.58)</u>	<u>1,924,430,469.01</u>	<u>2,022,245,722.91</u>
2,225,287,059.72	(2,511,887,068.24)	125,076,439.85	188,183,872.13
931,094.15	(8,483,575.39)	4,712,592.82	(4,667,927.29)
	860,181.00	1,992,084.99	2,852,265.99
<u>12,503,352.39</u>	<u>(7,623,394.39)</u>	<u>6,704,677.81</u>	<u>12,503,352.39</u>
<u>13,434,446.54</u>			<u>10,687,691.09</u>
<u>2,238,721,506.26</u>	<u>(2,519,510,462.63)</u>	<u>131,781,117.66</u>	<u>198,871,563.22</u>

TEXAS WORKFORCE COMMISSION (320)

**EXHIBIT I-1**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION -**  
**PRIVATE PURPOSE TRUST FUNDS**  
 For the Year Ended August 31, 2015

	Payday Law Wage Determination Trust Fund (Fund 0894) <u>U/F (0894)</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	
Cash on Hand	\$ 6,170.97
Cash in State Treasury	756,878.14
Receivables:	
Interest and Dividends	395.82
Accounts Receivable (Note 24)	<u>128,126.85</u>
<b>Total Assets</b>	<u>891,571.78</u>
<b>LIABILITIES</b>	
Payables:	
Accounts Payable	880,709.72
Interest Payable	10,862.06
<b>Total Liabilities</b>	<u>891,571.78</u>
<b>NET POSITION</b>	
Held in Trust For:	
Payday Law	<u>0.00</u>
<b>Total Net Position</b>	<u>\$ 0.00</u>

## TEXAS WORKFORCE COMMISSION (320)

**EXHIBIT I-2**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -**  
**PRIVATE PURPOSE TRUST FUNDS**  
 For the Year Ended August 31, 2015

	Payday Law Wage Determination Trust Fund (Fund 0894) <u>U/F (0894)</u>
<b>ADDITIONS</b>	
Investment Income	
From Investing Activities:	
Interest and Investment Income	\$ 4,374.19
Net Income From Investing Activities	<u>4,374.19</u>
Total Net Investment Income (Loss)	<u>4,374.19</u>
Other Additions	
Collections from Employers for Payday Law Claims	<u>3,699,751.54</u>
Total Other Additions	<u>3,699,751.54</u>
<b>Total Additions</b>	<b><u>3,704,125.73</u></b>
<b>DEDUCTIONS</b>	
Settlement of Claims	3,699,751.54 *
Interest Expense	4,374.19
<b>Total Deductions</b>	<b><u>3,704,125.73</u></b>
<b>INCREASE (DECREASE) IN NET POSITION</b>	<b><u>0.00</u></b>
Net Position, September 1, 2014	0.00
Net Position, August 31, 2015	<u>\$ 0.00</u>

\* In addition to the amount shown above for Settlement of Claims, the Texas Workforce Commission was instrumental in resolving another \$1,222,770.78 in claims where the claimant was paid directly by the employer.

TEXAS WORKFORCE COMMISSION (320)

**EXHIBIT J-1  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
AGENCY FUNDS**

For the Year Ended August 31, 2015

	Balances September 1, 2014	Additions	Deductions	Balances August 31, 2015
<b>Child Labor Penalty (0001) U/F (1000)</b>				
<b>ASSETS:</b>				
Cash in State Treasury	0.00	31,840.60	31,840.60	0.00
Total Assets	\$ 0.00	\$ 31,840.60	\$ 31,840.60	\$ 0.00
<b>LIABILITIES:</b>				
Funds Held for Others	0.00	31,840.60	31,840.60	0.00
Total Liabilities	\$ 0.00	\$ 31,840.60	\$ 31,840.60	\$ 0.00
<b>Child Support Employee Deducts (0807) U/F (8070)</b>				
<b>ASSETS:</b>				
Cash in State Treasury	34,933.22	459,039.74	459,506.40	34,466.56
Total Assets	\$ 34,933.22	\$ 459,039.74	\$ 459,506.40	\$ 34,466.56
<b>LIABILITIES:</b>				
Vouchers Payable	0.00	417,788.22	417,788.22	0.00
Funds Held for Others	34,933.22	459,039.74	459,506.40	34,466.56
Total Liabilities	\$ 34,933.22	\$ 876,827.96	\$ 877,294.62	\$ 34,466.56
<b>Departmental Suspense (0900) U/F (0900, 9015, 9016)</b>				
<b>ASSETS:</b>				
Cash in State Treasury	0.00	3,098,829.24	3,098,829.24	0.00
Accounts Receivable (Note 24)	402,181.60	413,487.38	402,181.60	413,487.38
Total Assets	\$ 402,181.60	\$ 3,512,316.62	\$ 3,501,010.84	\$ 413,487.38
<b>LIABILITIES:</b>				
Vouchers Payable	0.00	93.10	93.10	0.00
Accounts Payable	402,181.60	413,487.38	402,181.60	413,487.38
Funds Held for Others	0.00	3,501,010.84	3,501,010.84	0.00
Total Liabilities	\$ 402,181.60	\$ 3,914,591.32	\$ 3,903,285.54	\$ 413,487.38
<b>Direct Deposit Correction Account (0980) UF (0980, 9014)</b>				
<b>ASSETS:</b>				
Cash in State Treasury	0.00	6,345.91	6,345.91	0.00
Total Assets	\$ 0.00	\$ 6,345.91	\$ 6,345.91	\$ 0.00
<b>LIABILITIES:</b>				
Funds Held for Others	0.00	6,345.91	6,345.91	0.00
Total Liabilities	\$ 0.00	\$ 6,345.91	\$ 6,345.91	\$ 0.00

TEXAS WORKFORCE COMMISSION (320)

**EXHIBIT J-1**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -**  
**AGENCY FUNDS**

For the Year Ended August 31, 2015

	Balances September 1, 2014	Additions	Deductions	Balances August 31, 2015
<b>TOTALS - ALL AGENCY FUNDS</b>				
<b>ASSETS:</b>				
Cash in State Treasury	34,933.22	3,596,055.49	3,596,522.15	34,466.56
Accounts Receivable (Note 24)	402,181.60	413,487.38	402,181.60	413,487.38
Total Assets	\$ <u>437,114.82</u>	\$ <u>4,009,542.87</u>	\$ <u>3,998,703.75</u>	\$ <u>447,953.94</u>
<b>LIABILITIES:</b>				
Vouchers Payable	0.00	417,881.32	417,881.32	0.00
Accounts Payable	402,181.60	413,487.38	402,181.60	413,487.38
Funds Held for Others	34,933.22	3,998,237.09	3,998,703.75	34,466.56
Total Liabilities	\$ <u>437,114.82</u>	\$ <u>4,829,605.79</u>	\$ <u>4,818,766.67</u>	\$ <u>447,953.94</u>

TEXAS WORKFORCE COMMISSION (320)

**SCHEDULE 1A**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
 For the Year Ended August 31, 2015

Federal Grantor/ Pass-Through Grantor/ Program Title	CFDA Number	Pass-Through From		
		Agency/ Univ. #	Identifying Number	Agencies or Univ Amount
<b>U.S. Department of Housing and Urban Development</b>				
Direct Programs:				
Fair Housing Assistance Program State and Local	14.401			
Pass-Through To:				
Other Non-State Entities				
<b>Total, U.S. Department of Housing and Urban Development</b>			<b>0.00</b>	<b>0.00</b>
<b>U.S. Department of Homeland Security</b>				
Direct Program:				
Disaster Unemployment Assistance	97.034			
<b>Total, U.S. Department of Homeland Security</b>			<b>0.00</b>	<b>0.00</b>
<b>U.S. Department of Labor</b>				
Direct Programs:				
Labor Force Statistics	17.002			
Unemployment Insurance	17.225			
Pass-Through To:				
Other Non-State Entities				
Senior Community Service Employment Program	17.235			
Pass-Through To:				
Other Non-State Entities				
Trade Adjustment Assistance	17.245			
Pass-Through To:				
Other Non-State Entities				
Incentive Grants - WIA Section 503	17.267			
Pass-Through To:				
Other Non-State Entities				
Work Opportunity Tax Credit Program	17.271			
Temporary Labor Certification For Foreign Workers	17.273			
Pass-Through To:				
Other Non-State Entities				
WIA/WIOA - National Emergency Grants	17.277			
Pass-Through To:				
Texas Higher Education Coordinating Board				
Other Non-State Entities				
<b>Subtotal, Non-Clustered Programs</b>			<b>0.00</b>	<b>0.00</b>
<b>Employment Services Cluster</b>				
<b>U.S. Department of Labor</b>				
Direct Program:				
Employment Service	17.207			
Pass-Through To:				
Texas State Technical College System				
Texas Tech University				
University of Texas Health Science Center at Houston				
University of Houston - Downtown				
Other Non-State Entities				
<b>Subtotal, Employment Services Cluster</b>			<b>0.00</b>	<b>0.00</b>

UNAUDITED

TEXAS WORKFORCE COMMISSION (320)

Direct Program Amount	Total PT from & Direct Program	Pass-Through To			Expenditures Amount	Total PT To & Expenditures
		Agency/ Univ. #	State Agency or Univ Amount	Non-State Entities Amount		
1,391,261.38	1,391,261.38				1,391,261.38	1,391,261.38
2,000.00	2,000.00			2,000.00		2,000.00
<b>1,393,261.38</b>	<b>1,393,261.38</b>		<b>0.00</b>	<b>2,000.00</b>	<b>1,391,261.38</b>	<b>1,393,261.38</b>
12,762.76	12,762.76				12,762.76	12,762.76
<b>12,762.76</b>	<b>12,762.76</b>		<b>0.00</b>	<b>0.00</b>	<b>12,762.76</b>	<b>12,762.76</b>
3,898,641.14	3,898,641.14				3,898,641.14	3,898,641.14
2,727,361,914.67	2,727,361,914.67				2,727,361,914.67	2,727,361,914.67
18,273.97	18,273.97			18,273.97		18,273.97
22,505.51	22,505.51				22,505.51	22,505.51
4,906,982.35	4,906,982.35			4,906,982.35		4,906,982.35
3,745,845.64	3,745,845.64				3,745,845.64	3,745,845.64
12,741,452.92	12,741,452.92			12,741,452.92		12,741,452.92
254,700.74	254,700.74				254,700.74	254,700.74
128,081.36	128,081.36			128,081.36		128,081.36
1,093,598.17	1,093,598.17				1,093,598.17	1,093,598.17
705,689.50	705,689.50				705,689.50	705,689.50
6,406.78	6,406.78			6,406.78		6,406.78
47,547.64	47,547.64				47,547.64	47,547.64
470,142.98	470,142.98	781	470,142.98			470,142.98
5,494,509.61	5,494,509.61			5,494,509.61		5,494,509.61
<b>2,760,896,292.98</b>	<b>2,760,896,292.98</b>		<b>470,142.98</b>	<b>23,295,706.99</b>	<b>2,737,130,443.01</b>	<b>2,760,896,292.98</b>
37,927,117.80	37,927,117.80				37,927,117.80	37,927,117.80
85,646.32	85,646.32	712	85,646.32			85,646.32
122,472.99	122,472.99	716	122,472.99			122,472.99
195,205.77	195,205.77	719	195,205.77			195,205.77
623.41	623.41	784	623.41			623.41
9,982,448.17	9,982,448.17			9,982,448.17		9,982,448.17
<b>48,313,514.46</b>	<b>48,313,514.46</b>		<b>403,948.49</b>	<b>9,982,448.17</b>	<b>37,927,117.80</b>	<b>48,313,514.46</b>

TEXAS WORKFORCE COMMISSION (320)

**SCHEDULE 1A**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
 For the Year Ended August 31, 2015

Federal Grantor/ Pass-Through Grantor/ Program Title	CFDA Number	Pass-Through From		
		Agency/ Univ. #	Identifying Number	Agencies or Univ Amount
<b>Workforce Investment Act / Workforce Innovation and Opportunity Act Cluster</b>				
<b>U.S. Department of Labor</b>				
Direct Programs:				
WIA/WIOA - Adult Program	17.258			
Pass-Through To:				
Office of the Governor				
Other Non-State Entities				
WIA/WIOA - Youth Activities	17.259			
Pass-Through To:				
Office of the Governor				
Other Non-State Entities				
WIA/WIOA Dislocated Worker Formula Grants	17.278			
Pass-Through To:				
Texas A&M University				
Tarleton State University				
Texas State Technical College				
University of Houston				
University of Texas at Dallas				
Texas Tech University Health & Science Center				
University of Texas at San Antonio				
Texas Higher Education Coordinating Board				
Lamar State College - Orange				
Other Non-State Entities				
WIA/WIOA Dislocated Worker National Reserve Demo. Grants	17.280			
Pass-Through To:				
Other Non-State Entities				
<b>Subtotal, Workforce Investment Act Cluster</b>			<b>0.00</b>	<b>0.00</b>
<b>Total, U.S. Department of Labor</b>			<b>0.00</b>	<b>0.00</b>
<b>U.S. Department of Education</b>				
Adult Education - Basic Grants to States	84.002			
Pass-Through To:				
Texas A & M University				
Other Non-State Entities				
<b>Total, U.S. Department of Education</b>			<b>0.00</b>	<b>0.00</b>
<b>U.S. Department of Health &amp; Human Services</b>				
Social Services Block Grant	93.667			
Pass-Through From:				
Health and Human Services Commission				
Pass-Through To:				
Other Non-State Entities		529	2,000,000.00	
<b>Subtotal, Non-Clustered Programs</b>			<b>2,000,000.00</b>	<b>0.00</b>
<b>Child Care Cluster</b>				
<b>U.S. Department of Health &amp; Human Services</b>				
Child Care and Development Block Grant	93.575			
Pass-Through To:				
Department of Family and Protective Services				
Texas Education Agency				
Other Non-State Entities				

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TEXAS WORKFORCE COMMISSION (320)

Direct Program Amount	Total PT from & Direct Program	Pass-Through To			Expenditures Amount	Total PT To & Expenditures
		Agency/ Univ. #	State Agency or Univ Amount	Non-State Entities Amount		
3,299,196.57	3,299,196.57				3,299,196.57	3,299,196.57
333,043.03	333,043.03	300	333,043.03			333,043.03
50,979,475.93	50,979,475.93			50,979,475.93		50,979,475.93
3,686,009.13	3,686,009.13			3,686,009.13		3,686,009.13
240,793.14	240,793.14	300	240,793.14			240,793.14
48,100,124.12	48,100,124.12			48,100,124.12		48,100,124.12
1,232,429.15	1,232,429.15			1,232,429.15		1,232,429.15
76,287.97	76,287.97	711	76,287.97			76,287.97
75,975.53	75,975.53	713	75,975.53			75,975.53
33,130.41	33,130.41	719	33,130.41			33,130.41
3,682.80	3,682.80	730	3,682.80			3,682.80
(1,249.50)	(1,249.50)	738	(1,249.50)			(1,249.50)
67,091.36	67,091.36	739	67,091.36			67,091.36
89,229.32	89,229.32	743	89,229.32			89,229.32
248,860.99	248,860.99	781	248,860.99			248,860.99
156,395.00	156,395.00	787	156,395.00			156,395.00
59,274,133.48	59,274,133.48			59,274,133.48		59,274,133.48
128,915.72	128,915.72			128,915.72		128,915.72
12,562.62	12,562.62			12,562.62		12,562.62
<b>168,036,086.77</b>	<b>168,036,086.77</b>		<b>1,323,240.05</b>	<b>158,366,296.15</b>	<b>8,346,550.57</b>	<b>168,036,086.77</b>
<b>2,977,245,894.21</b>	<b>2,977,245,894.21</b>		<b>2,197,331.52</b>	<b>191,644,451.31</b>	<b>2,783,404,111.38</b>	<b>2,977,245,894.21</b>
2,915,329.41	2,915,329.41			2,915,329.41		2,915,329.41
209,074.93	209,074.93	711	209,074.93			209,074.93
43,992,256.79	43,992,256.79			43,992,256.79		43,992,256.79
<b>47,116,661.13</b>	<b>47,116,661.13</b>		<b>209,074.93</b>	<b>43,992,256.79</b>	<b>2,915,329.41</b>	<b>47,116,661.13</b>
	2,000,000.00			2,000,000.00		2,000,000.00
<b>0.00</b>	<b>2,000,000.00</b>		<b>0.00</b>	<b>2,000,000.00</b>	<b>0.00</b>	<b>2,000,000.00</b>
9,543,879.13	9,543,879.13			9,543,879.13		9,543,879.13
36,159,110.06	36,159,110.06	530	36,159,110.06			36,159,110.06
12,455,832.66	12,455,832.66	701	12,455,832.66			12,455,832.66
198,045,911.74	198,045,911.74			198,045,911.74		198,045,911.74

TEXAS WORKFORCE COMMISSION (320)

**SCHEDULE 1A**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
 For the Year Ended August 31, 2015

Federal Grantor/ Pass-Through Grantor/ Program Title	CFDA Number	Pass-Through From			
		Agency/ Univ. #	Identifying Number	Agencies or Univ Amount	Non-State Entities Amount
Child Care and Development Fund	93.596				
Pass-Through To:					
Other Non-State Entities					
<b>Subtotal, Child Care Cluster</b>				<b>0.00</b>	<b>0.00</b>
<b>TANF Cluster</b>					
<b>U.S. Department of Health &amp; Human Services</b>					
Temporary Assistance for Needy Families	93.558				
Pass-Through From:					
Health and Human Services Commission		529		8,070,516.21	
Pass-Through To:					
Texas A & M Engineering Experiment Station		529		99,737.10	
Tarleton State University		529		(91.67)	
Texas A & M Engineering Extension Services		529		5,847.79	
Texas State Technical College		529		2,131.00	
University of Texas at Austin		529		112,091.95	
University of Texas Medical Branch at Galveston		529		2,601.52	
University of Texas at El Paso		529		61,207.17	
University of Texas Southwestern Medical Center		529		21,497.15	
Lamar University		529		156,774.64	
University of Texas at Dallas		529		77,916.44	
University of Texas at San Antonio		529		26,425.74	
Texas State University		529		66,907.00	
University of Houston - Clear Lake		529		76,533.75	
University of Houston - Downtown		529		75,214.90	
Lamar State College - Orange		529		28,052.00	
Other Non-State Entities		529		84,639,671.63	
Other Non-State Entities					
<b>Subtotal, TANF Cluster</b>				<b>93,523,034.32</b>	<b>0.00</b>
<b>Total, U.S. Dept. of Health &amp; Human Services</b>				<b>93,523,034.32</b>	<b>0.00</b>
<b>SNAP Cluster</b>					
<b>U.S. Department of Agriculture</b>					
Direct Programs:					
State Admin. Match for Supplemental Nutrition Assist Prog.	10.561				
Pass-Through To:					
Lamar State College - Orange					
Other Non-State Entities					
<b>Total, U. S. Department of Agriculture</b>				<b>0.00</b>	<b>0.00</b>
<b>TOTAL, FEDERAL FINANCIAL ASSISTANCE</b>				<b>93,523,034.32</b>	<b>0.00</b>

TEXAS WORKFORCE COMMISSION (320)

Direct Program Amount	Total PT from & Direct Program	Pass-Through To			Expenditures Amount	Total PT To & Expenditures
		Agency/ Univ. #	State Agency or Univ Amount	Non-State Entities Amount		
217,373,812.30	217,373,812.30			217,373,812.30		217,373,812.30
<b>473,578,545.89</b>	<b>473,578,545.89</b>		<b>48,614,942.72</b>	<b>415,419,724.04</b>	<b>9,543,879.13</b>	<b>473,578,545.89</b>
	8,070,516.21			8,070,516.21		8,070,516.21
	99,737.10	712	99,737.10			99,737.10
	(91.67)	713	(91.67)			(91.67)
	5,847.79	716	5,847.79			5,847.79
	2,131.00	719	2,131.00			2,131.00
	112,091.95	721	112,091.95			112,091.95
	2,601.52	723	2,601.52			2,601.52
	61,207.17	724	61,207.17			61,207.17
	21,497.15	729	21,497.15			21,497.15
	156,774.64	734	156,774.64			156,774.64
	77,916.44	738	77,916.44			77,916.44
	26,425.74	743	26,425.74			26,425.74
	66,907.00	754	66,907.00			66,907.00
	76,533.75	759	76,533.75			76,533.75
	75,214.90	784	75,214.90			75,214.90
	28,052.00	787	28,052.00			28,052.00
	84,639,671.63			84,639,671.63		84,639,671.63
(2,991,940.17)	(2,991,940.17)			(2,991,940.17)		(2,991,940.17)
<b>(2,991,940.17)</b>	<b>90,531,094.15</b>		<b>812,846.48</b>	<b>81,647,731.46</b>	<b>8,070,516.21</b>	<b>90,531,094.15</b>
<b>470,586,605.72</b>	<b>566,109,640.04</b>		<b>49,427,789.20</b>	<b>499,067,455.50</b>	<b>17,614,395.34</b>	<b>566,109,640.04</b>
925,007.92	925,007.92			925,007.92		925,007.92
25,600.00	25,600.00	787	25,600.00			25,600.00
17,622,919.90	17,622,919.90			17,622,919.90		17,622,919.90
<b>18,573,527.82</b>	<b>18,573,527.82</b>		<b>25,600.00</b>	<b>17,622,919.90</b>	<b>925,007.92</b>	<b>18,573,527.82</b>
<b>3,514,928,713.02</b>	<b>3,610,451,747.34</b>		<b>51,859,795.65</b>	<b>752,329,083.50</b>	<b>2,806,262,868.19</b>	<b>3,610,451,747.34</b>

## TEXAS WORKFORCE COMMISSION (320)

**SCHEDULE 1A**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended August 31, 2015

**Note 1 - Reconciliation**

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

Per Combined Statement of Revenues, Expenditures and Changes in Fund Balance/Statement of Activities Governmental Fund Types (Exhibit II) and Combined Statement of Revenues, Expenses and Changes in Net Assets - Enterprise Funds (Exhibit IV)

Federal Revenues - Governmental	\$	938,868,849.98
Federal Pass-Through Revenues		95,523,034.32
Federal Revenues - Proprietary		99,853,690.83
Subtotal		<u>1,134,245,575.13</u>

**RECONCILING ITEMS**

State UI funds		2,475,784,380.05
* Federal Fixed Fee & Other Contracts		(742,850.00)
Program Income & Non-Grant Expenditures		1,164,642.16
Per Federal Schedule	\$	<u>3,610,451,747.34</u>

**Note 2 - Unemployment Insurance Funds**

The expenditures in CFDA 17.225 consists of the following:

UI Administrative Grant Funds	\$	151,742,117.76
State UI Benefits Paid		2,475,784,380.05
Emergency Unemployment Comp. (EUC)		(9,861,228.85)
Former Federal Employees		84,297,782.33
Former Federal Employees ARRA		(11,235.82)
Federally Fund Short Term Comp.		1,424,655.59
Disaster Unemployment Assistance		120,428.01
TRA Federal Benefits		24,737,564.67
Federal Additional Compensation (FAC)		(10,948.19)
Extended Benefits (EB)		(843,326.91)
<b>Total</b>	\$	<u>2,727,380,188.64</u>

Expenditure Amount		2,727,361,914.67
Pass-Through to Non-State Entity Amount		18,273.97
Total expenditures reported for CFDA 17.225 on Schedule 1A	\$	<u>2,727,380,188.64</u>

\* The Civil Rights Division of the Texas Workforce Commission conducts investigations arising from complaints regarding employment. The Equal Employment Opportunity Commission (EEOC) pay for these investigations on a fixed fee basis.

Per the provisions of OMB Circular A-133, "a Federal award means Federal financial assistance and Federal Cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors." The Texas Comptroller of Public Accounts has interpreted this statement to mean that fixed fee contracts are not Federal awards, and therefore, not subject to the provisions of OMB Circular A-133. Thus, the fixed fee contracts that TWC maintains with EEOC is not considered a federal award, and therefore, should not be included in the Schedule of Federal Financial Assistance.

TEXAS WORKFORCE COMMISSION (320)

**SCHEDULE 1A**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
 For the Year Ended August 31, 2015

Note 3 - Summary of Federal Reimbursable Grants

Program Title	CFDA Number	Pass-Through To		Expenditures Amount	Total PT To & Expenditures
		State Agency or Univ Amount	Non-State Entities Amount		
State Admin. Match for Supplemental Nutrition Assist Prog.	10.561	25,600.00	17,622,919.90	925,007.92	18,573,527.82
Fair Housing Assistance Program: State and Local	14.401		2,000.00	1,391,261.38	1,393,261.38
Labor Force Statistics	17.002			3,898,641.14	3,898,641.14
Employment Service	17.207	403,948.49	9,982,448.17	37,927,117.80	48,313,514.46
Unemployment Insurance	17.225		18,273.97	151,723,843.79	151,742,117.76
Senior Community Service Employment Program	17.235		4,906,982.35	22,505.51	4,929,487.86
Trade Adjustment Assistance	17.245		12,741,452.92	3,745,845.64	16,487,298.56
WIA/WIOA - Adult Program	17.258	333,043.03	50,979,475.93	3,299,196.57	54,611,715.53
WIA/WIOA - Youth Activities	17.259	240,793.14	48,100,124.12	3,686,009.13	52,026,926.39
Incentive Grants - Workforce Investment Act Section 503	17.267		128,081.36	254,700.74	382,782.10
Work Opportunity Tax Credit Program	17.271			1,093,598.17	1,093,598.17
Temporary Labor Certification For Foreign Workers	17.273		6,406.78	705,689.50	712,096.28
WIOA National DW Grants / WIA National Emergency Gran	17.277	470,142.98	5,494,509.61	47,547.64	6,012,200.23
WIA/WIOA - Dislocated Worker Formula Grants	17.278	749,403.88	59,274,133.48	1,232,429.15	61,255,966.51
WIA/WIOA - DW National Reserve Demonstration Grants	17.280		12,562.62	128,915.72	141,478.34
Adult Education - Basic Grant	84.002	209,074.93	43,992,256.79	2,915,329.41	47,116,661.13
Temporary Assistance for Needy Families	93.558	812,846.48	81,647,731.46	8,070,516.21	90,531,094.15
Child Care and Development Block Grant	93.575	48,614,942.72	198,045,911.74	9,543,879.13	256,204,733.59
Child Care and Development Fund	93.596		217,373,812.30		217,373,812.30
Social Services Block Grant	93.667		2,000,000.00		2,000,000.00
Disaster Unemployment Assistance	97.034			12,762.76	12,762.76
		<u>51,859,795.65</u>	<u>752,329,083.50</u>	<u>230,624,797.31</u>	<u>1,034,813,676.46</u>

Federal Revenues - Governmental	938,868,849.98
Federal Pass-Through Revenues	95,523,034.32
Program Income	1,164,642.16
Revenues recognized for Non Grant Activity	(742,850.00)
Total	<u>1,034,813,676.46</u>

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## TEXAS WORKFORCE COMMISSION (320)

**SCHEDULE 1B****SCHEDULE OF STATE PASS-THROUGH GRANT FROM/TO STATE AGENCIES**

For the Year Ended August 31, 2015

**Pass-Through To Other Agencies:**

Apprenticeship	
Texas State Technical College System (Agency 719)	13,020.00
Lamar State College - Orange (Agency 787)	260,357.28
Subtotal	\$ <u>273,377.28</u>
Workforce Development - HB939	
Texas Veterans Commission (Agency 403)	225,000.00
Subtotal	\$ <u>225,000.00</u>
Skills Development	
Texas Engineering Extension Service (Agency 716)	2,500.00
Texas State Technical College System (Agency 719)	426,857.57
Lamar State College - Orange (Agency 787)	588,592.48
Subtotal	\$ <u>1,017,950.05</u>
State Leadership - Adult Education & Literacy	
Texas A&M University (Agency 711)	1,904,953.47
Subtotal	\$ <u>1,904,953.47</u>
Texas Fast Start II Program	
Texas State Technical College System (Agency 719)	307,163.39
Subtotal	\$ <u>307,163.39</u>
ES - Texas Vet Workforce Connect Project	
Health and Human Services Commission	624,444.50
Subtotal	\$ <u>624,444.50</u>
<b>Total Pass-Through To Other Agencies</b>	<b>\$ <u><u>4,352,888.69</u></u></b>

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## TEXAS WORKFORCE COMMISSION (320)

**SCHEDULE 2A**  
**MISCELLANEOUS BOND INFORMATION**  
 For Fiscal Year Ended August 31, 2015

**Business-Type Activities**

Description of Issue	Bonds Issued to Date	Range of Interest Rates		Terms of Variable Interest Rate	Scheduled Maturities		First Call Date
					First Year	Last Year	
Revenue Bonds							
Texas Public Finance Authority Unemployment Compensation Obligation Assessment Revenue Bonds, Series 2010A	\$1,110,415,000.00	2.00%	5.00%		2011	2017	01/01/2016
Texas Public Finance Authority Unemployment Compensation Obligation Assessment Revenue Refunding Bonds, Series 2014A	\$ 212,145,000.00	3.00%	5.00%		2015	2017	N/A
Texas Public Finance Authority Unemployment Compensation Obligation Assessment Revenue Refunding Bonds, Series 2014B	\$ 497,640,000.00	3.50%	4.00%		2017	2019	01/01/2015
	<u>\$1,820,200,000.00</u>						

TEXAS WORKFORCE COMMISSION (320)

**SCHEDULE 2B**  
**CHANGES IN BONDED INDEBTEDNESS**  
 For Fiscal Year Ended August 31, 2015

**Business-Type Activities**

<u>Description of Issue</u>	<u>Bonds Outstanding 9/1/2014</u>	<u>Bonds Issued</u>	<u>Bonds Matured or Retired</u>	<u>Bonds Refunded or Extinguished</u>	<u>Adjustments</u>
Revenue Bonds					
Texas Public Finance Authority Unemployment Compensation Obligation Assessment Revenue Bonds, Series 2010A	\$ 216,650,000.00		172,860,000.00		
Texas Public Finance Authority Unemployment Compensation Obligation Assessment Revenue Refunding Bonds, Series 2014A	\$ 212,145,000.00		6,215,000.00		
Texas Public Finance Authority Unemployment Compensation Obligation Assessment Revenue Refunding Bonds, Series 2014B	\$ 497,640,000.00			119,005,000.00	
	<u>\$ 926,435,000.00</u>	<u>\$ -</u>	<u>\$ 179,075,000.00</u>	<u>\$ 119,005,000.00</u>	<u>\$ -</u>

TEXAS WORKFORCE COMMISSION (320)

<b>Bonds Outstanding 8/31/2015</b>	<b>Unamortized Premium</b>	<b>Unamortized Discount</b>	<b>Net Bonds Outstanding 8/31/2015</b>	<b>Amounts Due Within One Year</b>
43,790,000.00	347,515.85	-	\$ 44,137,515.85	\$ 44,137,515.85
205,930,000.00	\$ 8,787,317.86		\$ 214,717,317.86	\$ 159,621,648.62
378,635,000.00	\$ 15,139,935.06		\$ 393,774,935.06	\$ 9,671,742.85
<u>\$ 628,355,000.00</u>	<u>\$ 24,274,768.77</u>	<u>\$ -</u>	<u>\$ 652,629,768.77</u>	<u>\$ 213,430,907.32</u>

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## TEXAS WORKFORCE COMMISSION (320)

**SCHEDULE 2C**  
**DEBT SERVICE REQUIREMENTS**  
 For Fiscal Year Ended August 31, 2015

**Business-Type Activities**

<u>Description of Issue</u>	Year	Principal	Interest
Revenue Bonds			
Texas Public Finance Authority Unemployment Compensation Obligation Assessment Revenue Bonds, Series 2010A	2016	\$ 43,790,000.00	\$ 1,020,125.00
		<u>\$ 43,790,000.00</u>	<u>\$ 1,020,125.00</u>
Texas Public Finance Authority Unemployment Compensation Obligation Assessment Revenue Refunding Bonds, Series 2014A	2016 2017	\$ 151,645,000.00 54,285,000.00	\$ 10,103,325.00 1,348,225.00
		<u>\$ 205,930,000.00</u>	<u>\$ 11,451,550.00</u>
*Texas Public Finance Authority Unemployment Compensation Obligation Assessment Revenue Refunding Bonds, Series 2014B	2016 2017 2018	\$ - 155,405,000.00 223,230,000.00	\$ 15,145,400.00 15,145,400.00 5,607,200.00
		<u>\$ 378,635,000.00</u>	<u>\$ 35,898,000.00</u>

*\*Note the principal and interest payments reflected for the Series 2014B issue do no reflect the anticipated utilization of the call features of this issue.*

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TEXAS WORKFORCE COMMISSION (320)

**SCHEDULE 2D**  
**ANALYSIS OF FUNDS AVAILABLE FOR DEBT SERVICE**  
 For Fiscal Year Ended August 31, 2015

**Business-Type Activities**

<b>Description of Issue</b>	<b>Pledged and Other Sources and Related Expenditures for FY 2015</b>			
	<b>Net Available for</b>		<b>Debt Service</b>	
	<b>Total Pledged and Other Sources</b>	<b>Operating Expenses/ Expenditures and Capital Outlay</b>	<b>Debt Service</b>	
			<b>Principal</b>	<b>Interest</b>
<b>Revenue Bonds</b>				
Texas Public Finance Authority Unemployment Compensation Obligation Assessment Revenue Bond Series 2010A			\$ 172,860,000.00	\$ 9,523,050.00
Texas Public Finance Authority Unemployment Compensation Obligation Assessment Revenue Refunding Bonds, Series 2014 A & B			\$ 6,215,000.00	\$ 32,873,757.58
There is not a separate revenue source for each series of bonds.	\$ 349,949,792.33	\$ -		
	<u>\$ 349,949,792.33</u>	<u>\$ -</u>	<u>\$ 179,075,000.00</u>	<u>\$ 42,396,807.58</u>

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TEXAS WORKFORCE COMMISSION (320)

**SCHEDULE 2E**  
**DEFEASED BONDS OUTSTANDING**  
 For Fiscal Year Ended August 31, 2015

**Business-Type Activities**

<u>Description of Issue</u>	<u>Year Defeased</u>	<u>Par Value Outstanding</u>
Revenue Bonds		
Texas Public Finance Authority Unemployment Compensation Obligation Assessment Revenue Bonds, Series 2010A	2014	\$ 345,270,000.00
Total Revenue Bonds		<u>\$ 345,270,000.00</u>

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TEXAS WORKFORCE COMMISSION (320)

**SCHEDULE 2F  
EARLY EXTINGUISHMENT AND REFUNDING**  
For Fiscal Year Ended August 31, 2015

**Business-Type Activities**

<u>Description of Issue</u>	<u>Category*</u>	<u>Amount Extinguished or Refunded</u>
Revenue Bonds		
Texas Public Finance Authority Revenue Bonds, Series 2014B	Early Extinguishment	119,005,000.00 <u>\$ 119,005,000.00</u>
<b>Total Business-Type Activities</b>		<u><u>\$ 119,005,000.00</u></u>

\*The Early Extinguishment utilized funds available in the Obligation Assessment Trust Fund to exercise a call feature of the Series 2014B issue.

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**ADDENDA**  
**ORGANIZATION, RESPONSIBILITIES AND GENERAL COMMENTS**  
 For the Year Ended August 31, 2015

The Texas Workforce Commission was created by the 74<sup>th</sup> Legislature with the passage of House Bill 1863. The Commission is comprised of three full-time members appointed by the Governor, with the advice and consent of the Senate, to serve six-year overlapping terms. Board members serving the Commission at August 31, 2015 are as follows.

<u>Commission Member</u>	<u>Dates of Term</u>	<u>Hometown</u>
Ruth R. Hughs (Commissioner Representing Employers)	July 2015 – February 2021	Austin
Ronald G. Congleton (Commissioner Representing Labor)	October 2003 – February 2017	Rockwall
Andres Alcantar (Chair and Commissioner Representing the Public)	August 2008 – February 2019 (May 1, 2012 named TWC Chair)	Leander

Larry E. Temple was named Executive Director on September 12, 2003.

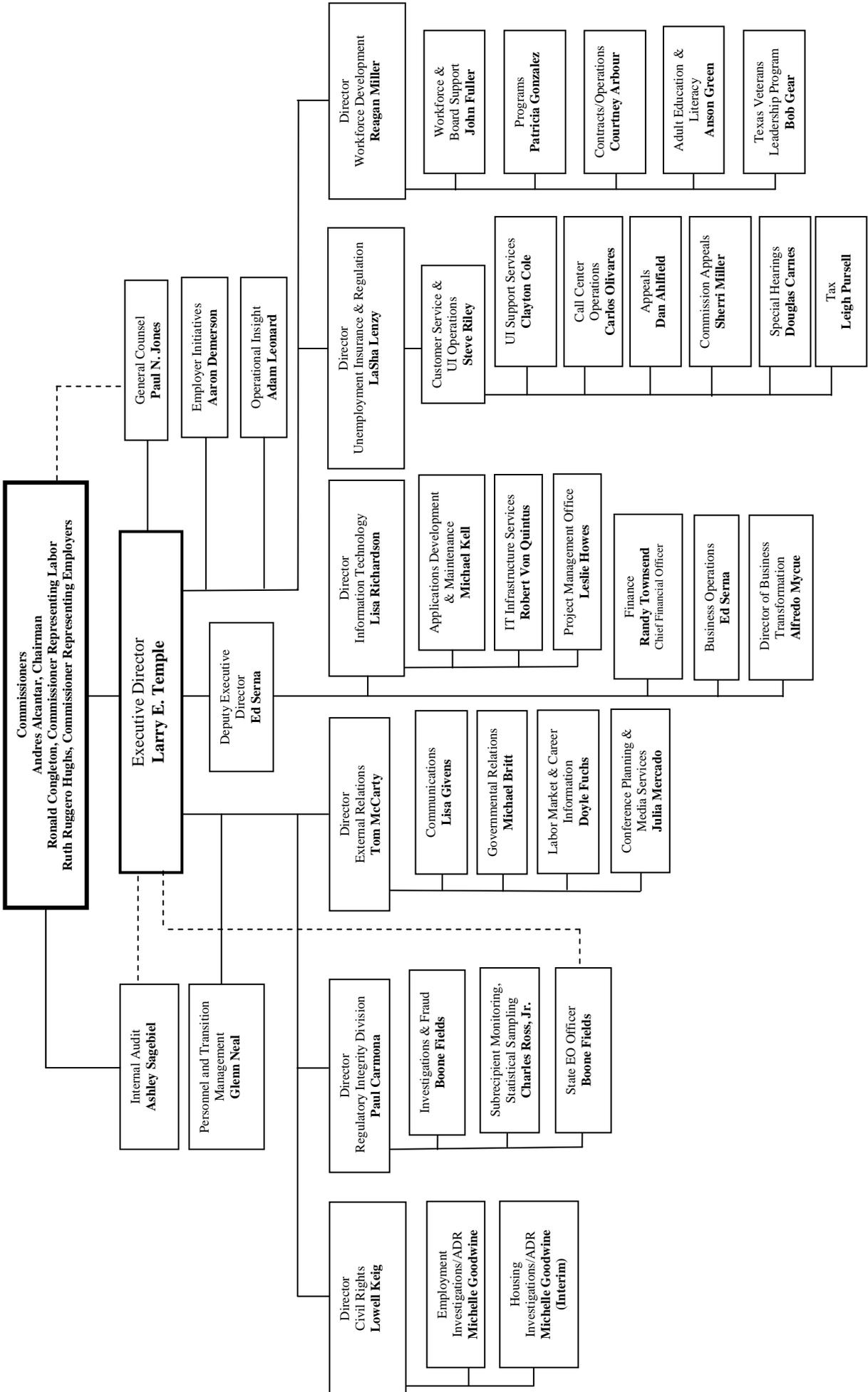
The Commission had a total of 2,753 full-time employees at August 31, 2015.

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**TEXAS WORKFORCE COMMISSION**  
**September 2015**

*Our mission is to promote and support an effective workforce system that offers employers, individuals and communities the opportunity to achieve and sustain economic prosperity.*

[Accessible Organizational Chart](#)





Texas Workforce Commission  
101 East 15th Street  
Austin, Texas 78778-0001  
(512) 463-2222

**Equal Opportunity Employer/Program**

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