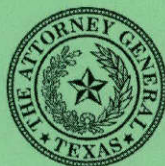
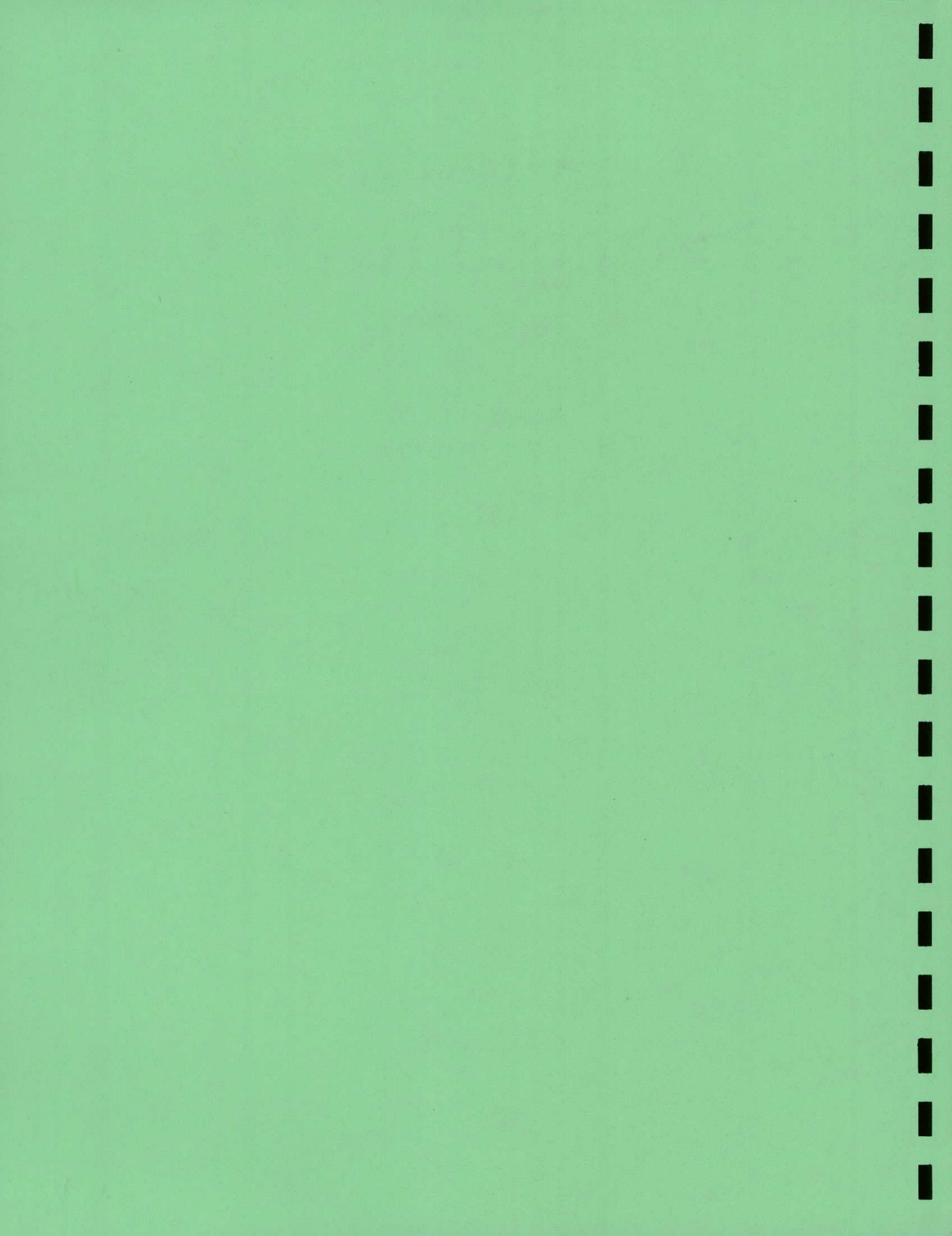


Annual Financial Report

Fiscal Year 2017
September 1, 2016 – August 31, 2017



KEN PAXTON
ATTORNEY GENERAL OF TEXAS





KEN PAXTON
ATTORNEY GENERAL OF TEXAS

November 20, 2017

Honorable Greg Abbott, Governor
Honorable Glenn Hegar, Texas Comptroller
Ursula Parks, Director, Legislative Budget Board
Lisa Collier, First Assistant State Auditor

Ladies and Gentlemen:

We are pleased to submit the annual financial report of the Office of the Attorney General for the year ended August 31, 2017, in compliance with Texas Government Code Annotated, Section 2101.011, and in accordance with the requirements established by the Texas Comptroller of Public Accounts.

Due to the statewide requirements embedded in Governmental Accounting Standards Board (GASB) 34, the Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all the requirements in this statement. The financial report will be considered for audit by the state auditor as part of the audit of the State of Texas *Comprehensive Annual Financial Report* (CAFR); therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

If you have any questions, please contact Kristy Lerma at (512) 475-4377. Cheryl Cain may be contacted at (512) 475-4356 for questions related to the Schedule of Expenditures of Federal Awards.

Sincerely,

A handwritten signature in cursive script that reads "L. Michele Price".

L. Michele Price, CPA
Controller



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EXHIBIT I

COMBINED BALANCE SHEET/STATEMENT OF NET POSITION GOVERNMENTAL FUNDS

For the Fiscal Year Ended August 31, 2017

	GOVERNMENTAL FUND TYPES		GOVERNMENTAL FUNDS TOTAL
	GENERAL FUNDS (Exh. A-1)	STATE HIGHWAY FUND (0006) U/F (0006)	
ASSETS			
Current Assets:			
Cash and Cash Equivalents			
Cash in Bank (Note 3)	\$ 110,000.00	\$	\$ 110,000.00
Cash in State Treasury	97,818,584.17		97,818,584.17
Legislative Appropriations	175,923,766.01		175,923,766.01
Receivables From:			
Federal	30,969,661.38		30,969,661.38
Other Intergovernmental	10,643.44		10,643.44
Due From Other Agencies	630,538.12		630,538.12
Consumable Inventories	1,147,656.64		1,147,656.64
Prepaid Items	1,313,379.32		1,313,379.32
Total Current Assets	<u>307,924,229.08</u>	<u>0.00</u>	<u>307,924,229.08</u>
Non-Current Assets:			
Capital Assets (Note 2):			
Depreciable			
Furniture and Equipment			
Less Accumulated Depreciation			
Vehicles, Boats and Aircraft			
Less Accumulated Depreciation			
Construction in Progress			
Amortizable			
Computer Software			
Less Accumulated Amortization			
Total Non-Current Assets	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL ASSETS	<u>\$ 307,924,229.08</u>	<u>\$ 0.00</u>	<u>\$ 307,924,229.08</u>
LIABILITIES			
Current Liabilities:			
Payables From:			
Accounts	\$ 31,558,538.91	\$	\$ 31,558,538.91
Payroll	26,781,661.98		26,781,661.98
Due To Other Agencies	9,214,324.18		9,214,324.18
Unearned Revenues	731,638.54		731,638.54
Employees' Compensable Leave (Note 5)			
Total Current Liabilities	<u>68,286,163.61</u>	<u>0.00</u>	<u>68,286,163.61</u>
Non-Current Liabilities:			
Employees' Compensable Leave (Note 5)			
Total Non-Current Liabilities	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL LIABILITIES	<u>\$ 68,286,163.61</u>	<u>\$ 0.00</u>	<u>\$ 68,286,163.61</u>

Office of the Attorney General (302)
Unaudited

<u>CAPITAL ASSETS ADJUSTMENTS</u>	<u>LONG-TERM LIABILITIES ADJUSTMENTS</u>	<u>OTHER ADJUSTMENTS</u>	<u>STATEMENT OF NET POSITION</u>
\$	\$	\$	\$ 110,000.00
			97,818,584.17
			175,923,766.01
			30,969,661.38
			10,643.44
			630,538.12
			1,147,656.64
			1,313,379.32
<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>307,924,229.08</u>
8,562,756.32			8,562,756.32
(5,942,062.23)			(5,942,062.23)
6,872,065.58			6,872,065.58
(3,368,124.48)			(3,368,124.48)
108,900,272.11			108,900,272.11
17,960,754.30			17,960,754.30
(12,409,401.70)			(12,409,401.70)
<u>120,576,259.90</u>	<u>0.00</u>	<u>0.00</u>	<u>120,576,259.90</u>
\$ <u>120,576,259.90</u>	\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>428,500,488.98</u>
\$	\$	\$	\$
			31,558,538.91
			26,781,661.98
			9,214,324.18
			731,638.54
	12,728,654.64		12,728,654.64
<u>0.00</u>	<u>12,728,654.64</u>	<u>0.00</u>	<u>81,014,818.25</u>
	9,139,332.85		9,139,332.85
<u>0.00</u>	<u>9,139,332.85</u>	<u>0.00</u>	<u>9,139,332.85</u>
\$ <u>0.00</u>	\$ <u>21,867,987.49</u>	\$ <u>0.00</u>	\$ <u>90,154,151.10</u>

EXHIBIT I (concluded)

COMBINED BALANCE SHEET/STATEMENT OF NET POSITION GOVERNMENTAL FUNDS

For the Fiscal Year Ended August 31, 2017

	GOVERNMENTAL FUND TYPES		
	GENERAL FUNDS (Exh. A-1)	STATE HIGHWAY FUND (0006) U/F (0006)	GOVERNMENTAL FUNDS TOTAL
FUND FINANCIAL STATEMENT			
FUND BALANCES (DEFICITS):			
Nonspendable	\$ 2,461,035.96	\$	\$ 2,461,035.96
Restricted	82,459,893.03		82,459,893.03
Committed	33,880,008.86		33,880,008.86
Assigned	0.00		0.00
Unassigned	120,837,127.62		120,837,127.62
Total Fund Balances	\$ 239,638,065.47	\$ 0.00	\$ 239,638,065.47
 TOTAL LIABILITIES AND FUND BALANCES	 \$ 307,924,229.08	 \$ 0.00	 \$ 307,924,229.08

GOVERNMENT-WIDE STATEMENT OF NET POSITION

Net Position:

Net Investment in Capital Assets

Unrestricted

Total Net Position

Office of the Attorney General (302)
Unaudited

CAPITAL ASSETS ADJUSTMENTS	LONG-TERM LIABILITIES ADJUSTMENTS	OTHER ADJUSTMENTS	STATEMENT OF NET POSITION
\$	\$	\$	\$ 2,461,035.96
			82,459,893.03
			33,880,008.86
			0.00
			120,837,127.62
			\$ 239,638,065.47
120,576,259.90			120,576,259.90
	(21,867,987.49)		(21,867,987.49)
\$ 120,576,259.90	\$ (21,867,987.49)	\$ 0.00	\$ 338,346,337.88

EXHIBIT II
COMBINED STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND
BALANCE / STATEMENT OF ACTIVITIES - Governmental Funds
For the Fiscal Year Ended August 31, 2017

	GOVERNMENTAL FUND TYPES		GOVERNMENTAL FUNDS TOTAL
	GENERAL (Exh. A-2)	STATE HIGHWAY FUND (0006) U/F (0006)	
REVENUES			
Legislative Appropriations:			
Original Appropriations (GR)	\$ 133,326,975.00	\$	\$ 133,326,975.00
Additional Appropriations (GR)	42,057,976.27		42,057,976.27
Federal Revenue	270,537,843.57		270,537,843.57
Federal Grant Pass-Through Revenue (Sch. 1A)	2,991,415.84		2,991,415.84
State Grant Pass-Through Revenue (Sch. 1B)	52,398.01		52,398.01
Licenses, Fees and Permits	133,115,031.63		133,115,031.63
Interest and Other Investment Income	682,747.71		682,747.71
Settlement of Claims	1,581,125.94		1,581,125.94
Sales of Goods and Services	34,736,243.41	56.26	34,736,299.67
Other Revenues	88,044,669.97		88,044,669.97
Total Revenues	\$ 707,126,427.35	\$ 56.26	\$ 707,126,483.61
EXPENDITURES			
Salaries and Wages	\$ 228,217,089.26	\$ 609,564.94	\$ 228,826,654.20
Payroll Related Costs	74,822,535.33	(97,209.25)	74,725,326.08
Professional Fees and Services	86,922,494.73		86,922,494.73
Travel	4,997,919.68	(14.52)	4,997,905.16
Materials and Supplies	15,960,538.50		15,960,538.50
Communication and Utilities	18,905,745.93		18,905,745.93
Repairs and Maintenance	3,288,487.86		3,288,487.86
Rentals and Leases	19,185,546.05		19,185,546.05
Printing and Reproduction	472,643.49		472,643.49
Claims and Judgments	64,235,444.38		64,235,444.38
Federal Grant Pass-Through Expenditures	6,826,141.76		6,826,141.76
State Grant Pass-Through Expenditures	3,249,332.31		3,249,332.31
Intergovernmental Payments	15,864,447.52		15,864,447.52
Public Assistance Payments	19,911,730.21		19,911,730.21
Other Expenditures	60,322,846.82		60,322,846.82
Capital Outlay	41,131,494.04		41,131,494.04
Depreciation & Ammortization Expense			
Total Expenditures/Expenses	\$ 664,314,437.87	\$ 512,341.17	\$ 664,826,779.04
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 42,811,989.48	\$ (512,284.91)	\$ 42,299,704.57

Office of the Attorney General (302)
Unaudited

CAPITAL ASSETS ADJUSTMENTS	LONG-TERM LIABILITIES ADJUSTMENTS	OTHER ADJUSTMENTS	STATEMENT OF ACTIVITIES
\$	\$	\$	\$ 133,326,975.00
			42,057,976.27
			270,537,843.57
			2,991,415.84
			52,398.01
			133,115,031.63
			682,747.71
			1,581,125.94
			34,736,299.67
			88,044,669.97
\$ 0.00	\$ 0.00	\$ 0.00	\$ 707,126,483.61
\$	\$ 625,386.02	\$	\$ 229,452,040.22
			74,725,326.08
			86,922,494.73
			4,997,905.16
			15,960,538.50
			18,905,745.93
			3,288,487.86
			19,185,546.05
			472,643.49
			64,235,444.38
			6,826,141.76
			3,249,332.31
			15,864,447.52
			19,911,730.21
			60,322,846.82
(41,131,494.04)			0.00
3,551,642.74			3,551,642.74
\$ (37,579,851.30)	\$ 625,386.02	\$ 0.00	\$ 627,872,313.76
\$ 37,579,851.30	\$ (625,386.02)	\$ 0.00	\$ 79,254,169.85

EXHIBIT II (concluded)

COMBINED STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND

BALANCE / STATEMENT OF ACTIVITIES - Governmental Funds

For the Fiscal Year Ended August 31, 2017

	GOVERNMENTAL FUND TYPES			GOVERNMENTAL FUNDS TOTAL
	GENERAL (Exh. A-2)	STATE HIGHWAY FUND (0006) U/F (0006)		
OTHER FINANCING SOURCES (USES):				
Transfers In	\$ 6,664,852.51	\$ 512,284.91	\$	7,177,137.42
Transfers Out	(21,639,960.07)			(21,639,960.07)
Sale of Capital Assets	20,795.00			20,795.00
Gain(Loss) on Sale of Capital Assets				0.00
Total Other Financing Sources (Uses)	\$ (14,954,312.56)	\$ 512,284.91	\$	(14,442,027.65)
Net Change in Fund Balances/Net Position	\$ 27,857,676.92	\$ 0.00	\$	27,857,676.92
 FUND FINANCIAL STATEMENTS - FUND BALANCES				
Fund Balance - September 1, 2016	\$ 211,780,388.55	\$ 0.00	\$	211,780,388.55
Restatements				0.00
Fund Balance - September 1, 2016, as Restated	\$ 211,780,388.55	\$ 0.00	\$	211,780,388.55
Appropriations Lapsed				0.00
FUND BALANCES - August 31, 2017	\$ 239,638,065.47	\$ 0.00	\$	239,638,065.47

GOVERNMENT-WIDE STATEMENT OF NET POSITION

Net Position/Net Change in Net Position

Net Position, September 1, 2016

Restatements

Net Position, September 1, 2016, as Restated

Net Position, August 31, 2017

Office of the Attorney General (302)
Unaudited

<u>CAPITAL ASSETS ADJUSTMENTS</u>	<u>LONG-TERM LIABILITIES ADJUSTMENTS</u>	<u>OTHER ADJUSTMENTS</u>	<u>STATEMENT OF ACTIVITIES</u>
\$	\$	\$	\$ 7,177,137.42
			(21,639,960.07)
			20,795.00
(26,001.50)			(26,001.50)
<u>\$ (26,001.50)</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ (14,468,029.15)</u>
			<u>\$ 64,786,140.70</u>
			211,780,388.55
			0.00
			<u>\$ 211,780,388.55</u>
			0.00
			<u>\$ 276,566,529.25</u>
<u>\$ 37,553,849.80</u>	<u>\$ (625,386.02)</u>	<u>\$ 0.00</u>	
\$ 83,022,410.10	\$ (21,242,601.47)	\$	\$ 61,779,808.63
			0.00
<u>\$ 83,022,410.10</u>	<u>\$ (21,242,601.47)</u>	<u>\$ 0.00</u>	<u>\$ 61,779,808.63</u>
<u>\$ 120,576,259.90</u>	<u>\$ (21,867,987.49)</u>	<u>\$ 0.00</u>	<u>\$ 338,346,337.88</u>

EXHIBIT VI
COMBINED STATEMENT OF NET POSITION - FIDUCIARY FUNDS
For the Fiscal Year Ended August 31, 2017

	<u>AGENCY FUNDS (Exh. J-1)</u>	<u>TOTALS</u>
ASSETS		
Cash and Cash Equivalents:		
Cash on Hand	\$ 2,032,592.01	\$ 2,032,592.01
Cash in State Treasury	61,375,173.87	61,375,173.87
Receivables from:		
Accounts	45,532,337.26	45,532,337.26
Allowance for Uncollectible Accounts	<u>(42,778,028.34)</u>	<u>(42,778,028.34)</u>
Total Current Assets	<u>66,162,074.80</u>	<u>66,162,074.80</u>
TOTAL ASSETS	\$ <u>66,162,074.80</u>	\$ <u>66,162,074.80</u>
LIABILITIES		
Payables from:		
Accounts	\$ 0.00	\$ 0.00
Due to Other Agencies	0.00	0.00
Funds Held For Others	66,162,074.80	66,162,074.80
Total Current Liabilities	<u>66,162,074.80</u>	<u>66,162,074.80</u>
TOTAL LIABILITIES	\$ <u>66,162,074.80</u>	\$ <u>66,162,074.80</u>
Total Net Position	\$ <u>0.00</u>	\$ <u>0.00</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ENTITY

The Attorney General of Texas is the state's chief legal officer. To fulfill the agency's constitutional and statutory responsibilities, the Office of the Attorney General (OAG) provides legal representation, counsel, and assistance to fulfill the needs of the State of Texas and its authorized entities and employees, including state officers, state agencies, and institutions of higher education. The OAG responds to the litigation needs of the State of Texas by defending and enforcing Texas law through the use of appropriate pre-trial, trial, and appellate actions. The OAG provides appropriate legal advice and answers to legal questions posed by state agencies and authorized office holders including the issuance of formal opinions and open records letters and decisions. The OAG protects individual liberties and seeks justice for victims of crimes through investigating and prosecuting criminal activities, specifically crimes of human trafficking, internet crimes against children, and fugitives in violation of state sex offender laws. The OAG promotes and defends families through enforcing the state's child support laws and provides support to victims of violent crime by administering victim assistance programs.

The financial reports of the OAG comply with State statutes and regulations. This includes compliance with the Texas Comptroller of Public Accounts' Reporting Requirements for State Agencies.

Due to the statewide requirements embedded in Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements -- and Management's Discussion and Analysis -- for State and Local Governments*, the Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all the requirements in this statement. The financial report is considered for audit by the State Auditor as part of the audit of the State of Texas Comprehensive Annual Financial Report; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

B. 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 Fund

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

Special Revenue Funds

Special Revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted or committed to use for specified purposes. The state highway fund (appropriated fund 0006) is the main operating fund. The state highway fund accounts contain the activity related to public road construction, maintenance and monitoring of the state's highway system. The Office of the Attorney General represents the Texas Department of Transportation in all civil litigation matters.

FIDUCIARY FUND TYPES

Agency Funds

Agency funds are used to account for assets the government holds on behalf of others in a purely custodial capacity. Agency funds involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

COMPONENT UNITS

No component units have been identified.

C. 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 are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized in the period that they become both measurable and available to finance operations of the fiscal year or liquidate liabilities existing at fiscal year-end.

The state of Texas considers receivables collected within 60 days after fiscal year-end to be available and recognizes them as revenues of the current year for fund financial statements prepared on the modified accrual basis. Expenditures and other uses of financial resources are recognized when the related liability is incurred.

Basis conversion adjustment fund types convert modified accrued basis to full accrued basis of accounting. The following activities are recognized in these fund types:

- Capital assets
- Accumulated depreciation
- Unpaid employee compensable leave
- The outstanding debt service principal and interest on long-term liabilities
- Capital leases
- Long-term claims and judgments
- Full accrual revenues and expenses
- Pension amounts in governmental activities

D. BUDGET AND BUDGETARY ACCOUNTING

The budget is prepared biennially and represents appropriations authorized by the Legislature and approved by the Governor (the General Appropriations Act).

Unencumbered appropriations are generally subject to lapse 60 days after the end of the fiscal year for which they were appropriated.

ASSETS, LIABILITIES, AND FUND BALANCES/NET POSITION

ASSETS

Cash and Cash Equivalents

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

Inventories and Prepaid Items

Inventories include both merchandise inventories on hand for sale and consumable inventories. Inventories are valued at cost, generally using the last-in, first-out method. The consumption method of accounting is used to account for inventories and prepaid items that appear in the governmental and proprietary fund types. The cost of these items is expensed when the items are used or consumed.

Capital Assets

Assets that meet the reporting threshold and useful life are capitalized. The capitalization threshold and the estimated useful life vary depending on the asset type. These assets are capitalized at cost or, if purchased, at 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. "Inexhaustible" assets (such as works of art and historical treasures) are not depreciated. Road and highway infrastructure is depreciated over the estimate of average useful life of a grouping of assets using composite method. Other depreciable assets are depreciated over the estimated useful life of the asset using the straight-line method.

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

LIABILITIES

Accounts Payable

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

Other Payables

Other Payables are the accrual at year-end of expenditure transactions not included in any other payable descriptions. The major component is salaries.

Employees' Compensable Leave Balances

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

FUND BALANCE/NET POSITION

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

Fund Balance Components

Fund Balance for governmental funds are classified as nonspendable, restricted, committed, assigned or unassigned in the fund financial statements.

Nonspendable

Nonspendable fund balance includes amounts not available to be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained.

Restricted

Restricted fund balance includes those resources that have constraints placed on their use through external parties such as creditors, grantors, contributors, laws or regulations of other governments, or by law through constitutional provisions or enabling legislation.

Committed

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

Assigned

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

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.

Net Investment in Capital Assets

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

Restricted Net Position

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

Unrestricted Net Position

Unrestricted net position consists of net resources that do not meet the definition of the two preceding categories. Unrestricted net position often has constraints on resources that are imposed by management but can be removed or modified.

INTERFUND ACTIVITIES AND BALANCES

The agency may have the following types of transactions between funds:

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, the balance is classified as "current." Balances for repayment due in two or more years are classified as "noncurrent."

Interfund Sales and Purchases: Charges or collections for services rendered by one fund to another that are recorded as revenues of the recipient fund (interfund services provided) and expenditures or expenses of the disbursing fund (interfund services used).

The composition of the agency interfund activities and balances are presented in Note 12, if applicable.

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NOTE 2: CAPITAL ASSETS

Revenue received from the sale of Surplus Property has been transferred to Unappropriated General Revenue in accordance with HB7, Sec. 20.

A summary of changes in Capital Assets for the year ended August 31, 2017, is presented below:

	Balance 9/1/16	Adjustments	PRIMARY GOVERNMENT Reclassifications		
			Completed CIP	Inc-Int'agy Trans	Dec-Int'agy Trans
Governmental Activities					
Non-Depreciable/Non-Amortizable Assets					
Construction in Progress	\$ 73,184,767.33	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Total Non-Depreciable/Non-Amortizable	<u>73,184,767.33</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Depreciable Assets:					
Furniture and Equipment	\$ 7,725,934.22	\$ 0.00	\$ 0.00	\$ 0.00	\$ (14,251.20)
Vehicles, Boats, and Aircraft	5,239,986.92	0.00	0.00	0.00	0.00
Total Depreciable Assets at Historical Cost:	<u>12,965,921.14</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(14,251.20)</u>
Less Accumulated Depreciation for:					
Furniture and Equipment	(5,662,030.56)	0.00	0.00	0.00	14,251.20
Vehicles, Boats, and Aircraft	(2,644,211.96)	0.00	0.00	0.00	0.00
Total Accumulated Depreciation	<u>(8,306,242.52)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>14,251.20</u>
Depreciable Assets, Net	<u>4,659,678.62</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Amortizable Assets - Intangible:					
Computer Software	\$ 16,028,758.70	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Total Amortizable Assets - Intangible	<u>16,028,758.70</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Less Accumulated Amortization for:					
Computer Software	(10,850,794.55)	0.00	0.00	0.00	0.00
Total Accumulated Amortization	<u>(10,850,794.55)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Amortizable Assets - Intangible, Net	<u>5,177,964.15</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Governmental Activities Capital Assets, Net:	<u>\$ 83,022,410.10</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

Additions	Deletions	Balance 8/31/17
\$ 35,715,504.78	\$ 0.00	\$ 108,900,272.11
<u>35,715,504.78</u>	<u>0.00</u>	<u>108,900,272.11</u>
\$ 1,478,518.47	\$ (627,445.17)	\$ 8,562,756.32
<u>1,780,161.32</u>	<u>(148,082.66)</u>	<u>6,872,065.58</u>
<u>3,258,679.79</u>	<u>(775,527.83)</u>	<u>15,434,821.90</u>
(913,154.56)	618,871.69	(5,942,062.23)
<u>(854,567.16)</u>	<u>130,654.64</u>	<u>(3,368,124.48)</u>
<u>(1,767,721.72)</u>	<u>749,526.33</u>	<u>(9,310,186.71)</u>
<u>1,490,958.07</u>	<u>(26,001.50)</u>	<u>6,124,635.19</u>
\$ 2,157,309.47	\$ (225,313.87)	\$ 17,960,754.30
<u>2,157,309.47</u>	<u>(225,313.87)</u>	<u>17,960,754.30</u>
(1,783,921.02)	225,313.87	(12,409,401.70)
<u>(1,783,921.02)</u>	<u>225,313.87</u>	<u>(12,409,401.70)</u>
<u>373,388.45</u>	<u>0.00</u>	<u>5,551,352.60</u>
\$ 37,579,851.30	\$ (26,001.50)	\$ 120,576,259.90

NOTE 3: DEPOSITS, INVESTMENTS, AND REPURCHASE AGREEMENTS

Deposits of Cash in Bank

As of August 31, 2017, the carrying amount of deposits was \$110,000.00 as presented below.

Governmental and Business-Type Activities	
CASH IN BANK - CARRYING AMOUNT	\$ 110,000.00
Less: Certificates of Deposit included in carrying amount and reported as Cash Equivalent	0.00
Less: Uninvested Securities Lending Cash Collateral included in carrying amount and reported as Securities Lending Collateral	0.00
Less: Securities Lending CD Collateral included in carrying amount and reported as Securities Lending Collateral	0.00
Total Cash in Bank per AFR	\$ 110,000.00

Governmental Funds Current Assets Cash in Bank	\$ 110,000.00
Governmental Funds Current Assets Restricted Cash in Bank	0.00
Governmental Funds Non-Current Assets Restricted Cash in Bank	0.00
Proprietary Funds Current Assets Cash in Bank	0.00
Proprietary Funds Current Assets Restricted Cash in Bank	0.00
Proprietary Funds Non-Current Assets Restricted Cash in Bank	0.00
Cash in Bank per AFR	\$ 110,000.00

Fiduciary Funds	
CASH IN BANK - CARRYING AMOUNT	\$ 0.00
Less: Certificates of Deposit included in carrying amount and reported as Cash Equivalent	0.00
Less: Uninvested Securities Lending Cash Collateral included in carrying amount and reported as Securities Lending Collateral	0.00
Less: Securities Lending CD Collateral included in carrying amount and reported as Securities Lending Collateral	0.00
Total Cash in Bank per AFR	\$ 0.00
Fiduciary Funds Cash in Bank	\$ 0.00
Fiduciary Funds Restricted Cash in Bank	0.00
Cash in Bank per AFR	\$ 0.00

Discrete Component Unit	
CASH IN BANK - CARRYING AMOUNT	\$ 0.00
Less: Certificates of Deposit included in carrying amount and reported as Cash Equivalent	0.00
Less: Uninvested Securities Lending Cash Collateral included in carrying amount and reported as Securities Lending Collateral	0.00
Less: Securities Lending CD Collateral included in carrying amount and reported as Securities Lending Collateral	0.00
Total Cash in Bank per AFR	\$ 0.00
Discrete Component Unit Current Assets Cash in Bank	\$ 0.00
Discrete Component Unit Current Assets Restricted Cash in Bank	0.00
Discrete Component Unit Noncurrent Assets Restricted Cash in Bank	0.00
Cash in Bank Per AFR	\$ 0.00

These amounts consist of all cash in local banks and a portion of short-term investments. These amounts are included on the combined statement of net position as part of the "cash and cash equivalents" and "securities lending collateral" accounts.

As of August 31, 2017, the total **bank balance** was as follows:

Governmental and Business-Type Activities	\$110,000.00	Fiduciary Funds	\$0.00	Discrete Component Units	\$0.00
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Investments

As of August 31, 2017, the fair value of investments was \$0.00 as presented below.

Governmental and Business-Type Activities	
	Fair Value
U.S. Government	
U.S. Treasury Securities	\$ 0.00
U.S. Treasury Strips	0.00
U.S. Treasury TIPS	0.00
U.S. Government Agency Obligations (Ginnie Mae, Fannie Mae, Freddie Mac, Salle Mae, etc.)	0.00
U.S. Government Agency Obligations (Texas Treasury Safekeeping Trust Co.)	0.00
Corporate Obligations	0.00
Corporate Asset and Mortgage-Backed Securities	0.00
Equity	0.00
International Obligations (Govt. and Corp.)	0.00
International Equity	0.00
Repurchase Agreement	0.00
Repurchase Agreement (Texas Treasury Safekeeping Trust Co.)	0.00
Fixed Income Money Market and Bond Mutual Fund	0.00
Other Commingled Funds	0.00
International Other Commingled Funds	0.00
Other Commingled Funds (Texpool)	0.00
Commercial Paper	0.00
Real Estate	0.00
Derivatives	0.00
Alternative Investments	0.00
Misc. (Political Subdivision, bankers' acceptance, negotiable CD)	0.00
Total Investments	\$ 0.00
Reconciliation of Investments per Exhibits - Governmental and Business-Type Activities	0.00
Governmental Funds Current Assets Short-Term Investments	0.00
Governmental Funds Noncurrent Assets Investments	0.00
Proprietary Funds Current Assets Restricted Short-Term Investments	0.00
Proprietary Funds Noncurrent Assets Restricted Short-Term Investments	0.00
Investments per Exhibits	\$ 0.00

Fiduciary Funds	
	Fair Value
U.S. Government	
U.S. Treasury Securities	\$ 0.00
U.S. Treasury Strips	0.00
U.S. Treasury TIPS	0.00
U.S. Government Agency Obligations (Ginnie Mae, Fannie Mae, Freddie Mac, Salle Mae, etc.)	0.00
U.S. Government Agency Obligations (Texas Treasury Safekeeping Trust Co.)	0.00
Corporate Obligations	0.00
Corporate Asset and Mortgage-Backed Securities	0.00
Equity	0.00
International Obligations (Govt. and Corp.)	0.00
International Equity	0.00
Repurchase Agreement	0.00
Repurchase Agreement (Texas Treasury Safekeeping Trust Co.)	0.00
Fixed Income Money Market and Bond Mutual Fund	0.00
Other Commingled Funds	0.00
International Other Commingled Funds	0.00
Other Commingled Funds (Texpool)	0.00

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Commercial Paper	0.00
Securities Lending Collateral Investment Pool	0.00
Real Estate	0.00
Derivatives	0.00
Alternative Investments	0.00
Misc. (Political Subdivision, bankers' acceptance, negotiable CD)	0.00
Total Investments	\$ 0.00
Reconciliation of Investments per Exhibits - Fiduciary Funds	0.00
Fiduciary Funds Short-Term Investments	0.00
Fiduciary Funds Restricted Short-Term Investments	0.00
Investments per Exhibits	\$ 0.00

Discrete Component Unit	
	Fair Value
U.S. Government	
U.S. Treasury Securities	\$ 0.00
U.S. Treasury Strips	0.00
U.S. Treasury TIPS	0.00
U.S. Government Agency Obligations (Ginnie Mae, Fannie Mae, Freddie Mac, Salle Mae, etc.)	0.00
U.S. Government Agency Obligations (Texas Treasury Safekeeping Trust Co.)	0.00
Corporate Obligations	0.00
Corporate Asset and Mortgage-Backed Securities	0.00
Equity	0.00
International Obligations (Govt. and Corp.)	0.00
International Equity	0.00
Repurchase Agreement	0.00
Repurchase Agreement (Texas Treasury Safekeeping Trust Co.)	0.00
Fixed Income Money Market and Bond Mutual Fund	0.00
Other Commingled Funds	0.00
International Other Commingled Funds	0.00
Other Commingled Funds (Texpool)	0.00
Commercial Paper	0.00
Securities Lending Collateral Investment Pool	0.00
Real Estate	0.00
Derivatives	0.00
Alternative Investments	0.00
Misc. (Political Subdivision, bankers' acceptance, negotiable CD)	0.00
Total Investments	\$ 0.00
Reconciliation of Investments per Exhibits - Discrete Component Units	0.00
Discretely Presented Component Units Current Assets Short-Term Investments	0.00
Discretely Presented Component Units Noncurrent Assets Short-Term Investments	0.00
Investments per Exhibits	\$ 0.00

NOTE 4: SHORT-TERM DEBT (Not Applicable)

NOTE 5: LONG-TERM LIABILITIES

Changes in Long-Term Liabilities

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

	Balance 9/1/16	Additions	Reductions	Balance 8/31/17	Amounts Due Within One Year	Amounts Due Thereafter
Governmental Activities						
Employees' Compensable Leave	\$ 21,242,601.47	\$ 18,756,060.27	\$ 18,130,674.25	\$ 21,867,987.49	\$ 12,728,654.64	\$ 9,139,332.85
Total Governmental Activities	<u>\$ 21,242,601.47</u>	<u>\$ 18,756,060.27</u>	<u>\$ 18,130,674.25</u>	<u>\$ 21,867,987.49</u>	<u>\$ 12,728,654.64</u>	<u>\$ 9,139,332.85</u>

Employees' Compensable Leave

A state employee is entitled to be paid for all unused vacation time accrued in the event of the employee's resignation, dismissal, or separation from State employment, provided the employee has had continuous employment with the State for six months. Expenditures for accumulated annual leave balances are recognized in the period paid or taken in governmental fund types. For these fund types, the liability for unpaid benefits is recorded in the Statement of Net Position. An expense and all liability for proprietary fund types are recorded in the proprietary funds as the benefits accrue for employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

NOTE 6: BONDED INDEBTEDNESS (Not Applicable)

NOTE 7: DERIVATIVES (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 lease obligations:

Fund Type	
General Fund	\$ <u>17,882,514.89</u>
Total Memorandum Only	\$ <u>17,882,514.89</u>

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:	
2018	18,504,388.89
2019	16,311,849.22
2020	14,295,986.12
2021	12,654,645.83
2022	11,227,269.36
2023-2027	27,606,686.57
Total Minimum Future Lease Rental Payments	\$ <u>100,600,825.99</u>

NOTE 9: DEFINED BENEFIT PENSION PLANS AND DEFINED CONTRIBUTION PLAN (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 (Not Applicable)

NOTE 13: CONTINUANCE SUBJECT TO REVIEW (Not Applicable)

NOTE 14: ADJUSTMENTS TO FUND BALANCES AND NET POSITION (Not Applicable)

NOTE 15: CONTINGENCIES AND COMMITMENTS

Sick Leave

Each full-time employee accrues sick leave at the rate of eight hours per month with no maximum limit to the number of hours that can be accumulated. Part-time employees earn sick leave at a rate proportionate to the number of hours worked. Sick leave is paid to the employee only in the event of illness or to the employee's estate in the event of his/her death while employed by the Agency. The maximum sick leave that may be paid to an employee's estate is one-half of the employee's accumulated entitlement, or 336 hours, whichever is less. The Office's policy is to recognize the cost of any sick leave when paid. 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.

Federal Grants

The Office of the Attorney General has received federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to a request for reimbursement to grantor agencies for expenditures disallowed under the terms of the grant. Based on prior experience, management believes such disallowances, if any, will be immaterial.

NOTE 16: SUBSEQUENT EVENTS (Not Applicable)

NOTE 17: RISK MANAGEMENT

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

	Claims and Judgments			
	Beginning Balance	Increases	Decreases	Ending Balance
2017	\$ -	\$64,235,444.38	\$64,235,444.38	\$ -
2016	\$ -	\$47,423,573.90	\$47,423,573.90	\$ -

Risk Management

The majority of the \$64 million in expenditures from FY 2017 Claims and Judgments is related to payments to claimants under the Crime Victims Compensation Act. However, the Office of the Attorney General would not recognize a claim until we have a final, signed court ordered judgment or negotiated settlement, and all appeals are completed. Until these documents are signed, there is nothing owed. If the agency were in the negotiation stages, we would not want to project a loss that could provide the opposing party with documentation that we think we will lose a case or agree to a settlement amount. A reasonable estimate cannot be adequate until all agreements are finalized due to the drastic changes that occur during the negotiation and appeal stages. Generally, the judgments and settlements are paid very quickly after the judgment or settlement is reached since they usually include language requiring the payment by an established date.

NOTE 18: MANAGEMENT'S DISCUSSION AND ANALYSIS (Not Applicable)

NOTE 19: THE FINANCIAL REPORTING ENTITY (Not Applicable)

NOTE 20: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Not Applicable)

NOTE 21: (Not Applicable)

NOTE 22: DONOR RESTRICTED ENDOWMENTS (Not Applicable)

NOTE 23: EXTRAORDINARY AND SPECIAL ITEMS (Not Applicable)

NOTE 24: DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES (Not Applicable)

NOTE 25: TERMINATION BENEFITS (Not Applicable)

NOTE 26: SEGMENT INFORMATION (Not Applicable)

NOTE 27: SERVICE CONCESSION ARRANGEMENTS (Not Applicable)

NOTE 28: DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES (Not Applicable)

NOTE 29: TROUBLE DEBT RESTRUCTURING (Not Applicable)

NOTE 30: NON-EXCHANGE FINANCIAL GUARANTEES (Not Applicable)

NOTE 31: TAX ABATEMENTS (Not Applicable)

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NOTE 32: FUND BALANCES

The Office of the Attorney General has the following restrictions/covenants causing fund balances to be nonspendable, unassigned, committed and restricted

GAAP Fund	Fund	AFR 54 Class	Amount	Citation	Comments
0001	0001	Nonspendable	\$2,443,464.90	Texas Government Code, Title 10, Subtitle C Section 2113.103; Texas Government Code, Title 4, Subtitle A, Section 403.273; Texas Government Code, Title 10, Subtitle D, Chapter 2155, SubChapter G	The nonspendable fund balance for the Office of the Attorney General's (OAG) fund 0001 is related to the prepaid inventory items and consumables, which includes postage and the supply inventory, reported for OAG, fund 0001.
0001	1006	Nonspendable	\$9,595.91	Texas Government Code, Title 10, Subtitle D, Chapter 2155, SubChapter G	The nonspendable fund balance for the Office of the Attorney General's (OAG) fund 1006 is related to the prepaid inventory items reported for OAG, fund 1006.
0001	0001	Restricted	\$974,960.20	Social Security Act, Title IV, Part D	The restricted fund balance for OAG's fund 0001 is related to funds provided through the Social Security Act, Title IV, Part D for use by the Texas Workforce Commission non IV-D activities. The federal government grants the OAG permission to use these funds on specific non IV-D funded activities.
0001	1006	Committed	\$318,403.28	General Appropriations Act, for the 2016-2017 Biennium, 84 th Texas Legislature Regular Session, 2015 Art I Office of the Attorney General Rider 26	This committed fund balance is related to the Texas Department of Transportation fund 0006 amounts that are transferred to the OAG for legal services. The funding from TxDOT is directly from fund 0006, which is imposed by law through a constitutional provision.
0001	1007	Restricted	\$26,907,005.35	General Appropriations Act, for the 2016-2017 Biennium, 84 th Texas Legislature Regular Session, 2015 Art I Office of the Attorney General Rider 4A and 4D; Texas Family Code Title 5, Subtitle D, Section 231.0013	The restricted fund balance for OAG's fund 1007 is related to the child support retained collections. Texas Family Code Title 5, Subtitle D, Section 231.0013 states appropriations made to the Title IV-D agency for child support enforcement may be expended only for the purposes for which the money was appropriated.
0036	0036	Nonspendable	\$1,996.13	Texas Government Code, Title 10, Subtitle D, Chapter 2155, SubChapter G	Fund 0036 fund balance is categorized as nonspendable. This is related to the prepaid inventory items reported for OAG, fund 0036.
0469	0469	Nonspendable	\$4,895.69	Texas Government Code, Title 10, Subtitle D, Chapter 2155, SubChapter G	Fund 0469 fund balance is categorized as nonspendable. This is related to the prepaid inventory items reported for OAG, fund 0469.
0469	0469	Restricted	\$52,129,835.44	Article 1, Section 31 of the Texas Constitution	Fund 0469 is categorized as restricted by Article 1, Section 31 of the Texas Constitution.
0494	0494	Nonspendable	\$1,083.33	Texas Government Code, Title 10, Subtitle D, Chapter 2155, SubChapter G	Fund 0494 fund balance is categorized as nonspendable, related to the prepaid items reported for OAG, fund 0494.

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0802	0804	Restricted	\$73,357.30	Texas Transportation Code Title 7, Subtitle A, Section 504.6012; Texas Transportation Code Title 7, Subtitle A, Section 504.662; Texas Government Code, Title 4, Subtitle A, Section 402.036	Fund 0804 is categorized as restricted. The Comptroller created an account outside of the general revenue fund and may allocate the earnings on each account only in accordance with the dedications of the revenue deposited to the accounts. The fund balance for 0804 can only be used per Texas Transportation Code, Section 504.662 which states the department shall deposit the remainder of the fee for issuance of license plates under this section in the state treasury to the credit of the Choose Life account established by section 402.036, Government Code. This code allows the Attorney General to spend these specific funds only on certain eligible expenditures.
0802	0805	Restricted	\$8,999.44	Texas Transportation Code Title 7, Subtitle A, Section 504.6012; Texas Transportation Code Title 7, Subtitle A, Section 504.663	Fund 0805 is categorized as restricted. The Comptroller created an account outside of the general revenue fund and may allocate the earnings on each account only in accordance with the dedications of the revenue deposited to the accounts. The fund balance for 0805 can only be used per Texas Transportation Code, Section 504.663 which states money deposited into this fund may be used only by the Attorney General to provide grants to benefit Big Brothers Big Sisters of America organizations operating in this state.
5006	5006	Restricted	\$2,365,711.14	Texas Government Code, Title 4, Subtitle A, Section 402.005; Texas Code of Criminal Procedure, Title 1, Chapter 59, Article 59.06; 18 U.S.C. § 981(e), 19 U.S.C. § 1616a(c) and 31 U.S.C. §§ 9703 (a)(1)(G) and 9703(h); 21 U.S.C. § 881(e)(1)(A) and (e)(3), 18 U.S.C. § 981(e)(2), and 19 U.S.C. § 1616a; 21 U.S.C. § 881(e)(3).	Fund 5006 is categorized as restricted. Texas Government Code, section 402.005 creates a special account for the acceptance of gifts, grants, and forfeited assets. The Attorney General law enforcement account is created as a dedicated account in the general revenue fund in the state treasury. The account shall consist of law enforcement-related gifts and grants, and forfeited assets, and shall be administered by the Attorney General. The fund balance for 5006 includes federal US Department of Treasury and US Department of Justice forfeiture related assets. It also includes state forfeiture related assets that are governed by the Code of Criminal Procedure, Article 59.06. This article states the amounts are specifically to be used for Law Enforcement duties performed by the Attorney General, and governs the use and expenditure of forfeited funds deposited to the OAG's Law Enforcement Account.
5037	5037	Restricted	\$24.16	Texas Government Code Title 4, Subtitle B, Section 420.007	Fund 5037 is categorized as restricted. The OAG receives federal funding from the Texas Department of State Health Services for fund 5037 for the Rape Prevention and Education Grant as well as the Preventive Health and Health Services Block Grant. Money deposited to the credit of the fund may be used only as provided by Texas Government code 420.007 and is not available for any other purpose.

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EXHIBIT A-1

COMBINING BALANCE SHEET: All General and Consolidated Funds

For the Fiscal Year Ended August 31, 2017

	General Revenue Fund (0001) U/F (0001/0368/ 1002/1006/1007/9000)	Consolidated Funds		
		State Board of Insurance Operating Fund (0036) U/F (0036)	Compensation to Victims of Crime Fund (0469) U/F (0369/0469)	Compensation to Victims of Crime Auxiliary Fund (0494) U/F (0494)
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Cash in Bank	\$ 110,000.00	\$	\$	\$
Cash in State Treasury			53,430,898.84	
Legislative Appropriations	175,923,766.01			
Receivables From:				
Federal	30,964,550.10			
Other Intergovernmental	10,643.44			
Due From Other Agencies	146,795.08	385,265.54		10,612.04
Consumable Inventories	1,147,656.64			
Prepaid Items	1,305,404.17	1,996.13	4,895.69	1,083.33
Total Current Assets	<u>209,608,815.44</u>	<u>387,261.67</u>	<u>53,435,794.53</u>	<u>11,695.37</u>
TOTAL ASSETS	\$ <u>209,608,815.44</u>	\$ <u>387,261.67</u>	\$ <u>53,435,794.53</u>	\$ <u>11,695.37</u>
LIABILITIES				
Current Liabilities:				
Payables From:				
Accounts	\$ 30,903,795.00	\$ 5,956.65	\$ 596,859.77	\$ 1,066.38
Payroll	25,739,664.55	379,308.89	653,142.88	9,545.66
Due To Other Agencies	1,474,798.63		51,060.75	
Unearned Revenues				
Total Current Liabilities	<u>58,118,258.18</u>	<u>385,265.54</u>	<u>1,301,063.40</u>	<u>10,612.04</u>
TOTAL LIABILITIES	\$ <u>58,118,258.18</u>	\$ <u>385,265.54</u>	\$ <u>1,301,063.40</u>	\$ <u>10,612.04</u>
FUND BALANCES (DEFICITS):				
Nonspendable	\$ 2,453,060.81	\$ 1,996.13	4,895.69	1,083.33
Restricted	27,881,965.55		52,129,835.44	
Committed	318,403.28			
Assigned				
Unassigned	120,837,127.62			
TOTAL FUND BALANCES	\$ <u>151,490,557.26</u>	\$ <u>1,996.13</u>	\$ <u>52,134,731.13</u>	\$ <u>1,083.33</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>209,608,815.44</u>	\$ <u>387,261.67</u>	\$ <u>53,435,794.53</u>	\$ <u>11,695.37</u>

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Consolidated Funds				
License Plate Trust Fund	Law Enforcement Account	Sexual Assault Program Account	Sexual Assault Prevention and Crisis Services	Totals (Exh. I)
(0802) U/F (0803, 0804, 0805)	(5006) U/F (0367/5006)	(5010) U/F (5010)	(5037) U/F (5037)	2017
\$	\$	\$	\$	\$ 110,000.00
	3,164,005.20	41,223,655.97	24.16	97,818,584.17
				175,923,766.01
	5,111.28			30,969,661.38
82,356.74			5,508.72	10,643.44
				630,538.12
				1,147,656.64
				1,313,379.32
<u>82,356.74</u>	<u>3,169,116.48</u>	<u>41,223,655.97</u>	<u>5,532.88</u>	<u>307,924,229.08</u>
\$ <u>82,356.74</u>	\$ <u>3,169,116.48</u>	\$ <u>41,223,655.97</u>	\$ <u>5,532.88</u>	\$ <u>307,924,229.08</u>
\$	\$	\$	\$	\$ 31,558,538.91
	36,576.40	8,775.99	5,508.72	26,781,661.98
		7,688,464.80		9,214,324.18
	731,638.54			731,638.54
<u>0.00</u>	<u>768,214.94</u>	<u>7,697,240.79</u>	<u>5,508.72</u>	<u>68,286,163.61</u>
\$ <u>0.00</u>	\$ <u>768,214.94</u>	\$ <u>7,697,240.79</u>	\$ <u>5,508.72</u>	\$ <u>68,286,163.61</u>
				2,461,035.96
82,356.74	2,365,711.14		24.16	82,459,893.03
	35,190.40	33,526,415.18		33,880,008.86
				0.00
				120,837,127.62
<u>82,356.74</u>	<u>2,400,901.54</u>	<u>33,526,415.18</u>	<u>24.16</u>	<u>239,638,065.47</u>
\$ <u>82,356.74</u>	\$ <u>2,400,901.54</u>	\$ <u>33,526,415.18</u>	\$ <u>24.16</u>	\$ <u>239,638,065.47</u>
<u>82,356.74</u>	<u>3,169,116.48</u>	<u>41,223,655.97</u>	<u>5,532.88</u>	<u>307,924,229.08</u>
\$ <u>82,356.74</u>	\$ <u>3,169,116.48</u>	\$ <u>41,223,655.97</u>	\$ <u>5,532.88</u>	\$ <u>307,924,229.08</u>

Office of the Attorney General (302)
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EXHIBIT A-2
COMBINING STATEMENT OF REVENUES, EXPENDITURES &
CHANGES IN FUND BALANCES: All General and Consolidated Funds
For the Fiscal Year Ended August 31, 2017

	General Revenue Fund (0001) U/F (0001/0368/ 1002/1006/1007/9000)	Consolidated Funds		
		State Board of Insurance Operating Fund (0036) U/F (0036)	Compensation to Victims of Crime Fund (0469) U/F (0369/0469)	Compensation to Victims of Crime Auxiliary Fund (0494) U/F (0494)
REVENUES				
Legislative Appropriations:				
Original Appropriations (GR)	\$ 133,326,975.00	\$	\$	\$
Additional Appropriations (GR)	42,057,976.27			
Federal Revenue (Sch. 1A)	250,282,908.59		19,749,098.75	
Federal Grant Pass-Through Revenue (Sch. 1A)	195,789.43			
State Grant Pass-Through Revenue (Sch. 1B)				
Licenses, Fees, and Permits	37,982,964.99		78,369,551.21	
Interest and Other Investment Income	163,163.74		518,805.25	
Settlement of Claims			848,466.50	
Sales of Goods and Services	34,291,709.10		444,534.31	
Other Revenues	87,742,755.88		301,914.09	
Total Revenues	\$ 586,044,243.00	\$ 0.00	\$ 100,232,370.11	\$ 0.00
EXPENDITURES				
Salaries and Wages	\$ 217,223,556.70	\$ 3,229,833.80	\$ 6,498,586.48	\$ 84,334.04
Payroll Related Costs	71,140,888.95	1,207,710.29	2,409,609.68	38,034.48
Professional Fees and Services	84,412,948.76		2,387,402.39	
Travel	4,799,656.15	47,744.15	47,721.69	3,867.31
Materials and Supplies	15,322,281.75	1,422.69	344,253.41	20,463.80
Communication and Utilities	18,666,824.84	29,029.34	164,679.15	1,178.44
Repairs and Maintenance	3,200,012.31		57,023.66	
Rentals and Leases	18,645,896.30		504,015.69	
Printing and Reproduction	447,702.13		20,837.60	4,253.01
Claims and Judgments	24,319.03		64,211,125.35	
Federal Grant Pass-Through Expenditures	6,826,141.76			
State Grant Pass-Through Expenditures	936,664.45		2,312,667.86	
Intergovernmental Payments	12,581,929.56		3,156,599.18	
Public Assistance Payments	4,466,416.06		5,192,384.65	
Other Expenditures	59,680,187.05	9,050.63	535,253.63	722.13
Capital Outlay	39,951,978.26		812,979.63	
Total Expenditures	\$ 558,327,404.06	\$ 4,524,790.90	\$ 88,655,140.05	\$ 152,853.21
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 27,716,838.94	\$ (4,524,790.90)	\$ 11,577,230.06	\$ (152,853.21)

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Consolidated Funds				
License Plate Trust Fund	Law Enforcement Account	Sexual Assault Program Account	Sexual Assault Prevention and Crisis Services	Totals (Exh. II)
(0802) U/F (0803/ 0804/0805)	(5006) U/F (0367/5006)	(5010) U/F (5010)	(5037) U/F (5037)	2017
\$	\$	\$	\$	\$ 133,326,975.00
				42,057,976.27
	505,836.23			270,537,843.57
	417,950.69		2,377,675.72	2,991,415.84
	52,398.01			52,398.01
30,884.23	(6,338.71)	16,737,969.91		133,115,031.63
778.72				682,747.71
	732,659.44			1,581,125.94
				34,736,243.41
				88,044,669.97
<u>\$ 31,662.95</u>	<u>\$ 1,702,505.66</u>	<u>\$ 16,737,969.91</u>	<u>\$ 2,377,675.72</u>	<u>\$ 707,126,427.35</u>
\$	\$	\$	\$	\$ 228,217,089.26
	823,749.56	357,028.68		74,822,535.33
	20,940.78	5,351.15		86,922,494.73
	122,143.58			4,997,919.68
	93,862.79	5,067.59		15,960,538.50
	269,525.38	2,591.47		18,905,745.93
	38,213.62	5,820.54		3,288,487.86
	31,451.89			19,185,546.05
	35,634.06			472,643.49
(149.25)				64,235,444.38
				6,826,141.76
				3,249,332.31
	49,789.32	76,129.46		15,864,447.52
22,635.53		7,853,938.25	2,376,355.72	19,911,730.21
	93,614.84	2,698.54	1,320.00	60,322,846.82
	366,536.15			41,131,494.04
<u>\$ 22,486.28</u>	<u>\$ 1,945,461.97</u>	<u>\$ 8,308,625.68</u>	<u>\$ 2,377,675.72</u>	<u>\$ 664,314,437.87</u>
<u>\$ 9,176.67</u>	<u>\$ (242,956.31)</u>	<u>\$ 8,429,344.23</u>	<u>\$ 0.00</u>	<u>\$ 42,811,989.48</u>

EXHIBIT A-2 (concluded)
COMBINING STATEMENT OF REVENUES, EXPENDITURES &
CHANGES IN FUND BALANCES: All General and Consolidated Funds
For the Fiscal Year Ended August 31, 2017

	General Revenue Fund (0001) U/F (0001/0368/ 1002/1006/1007/9000)	Consolidated Funds		
		State Board of Insurance Operating Fund (0036) U/F (0036)	Compensation to Victims of Crime Fund (0469) U/F (0369/0469)	Compensation to Victims of Crime Auxiliary Fund (0494) U/F (0494)
OTHER FINANCING SOURCES (USES)				
Transfers In	\$	\$ 4,526,787.03	\$ 1,984,128.94	\$ 153,936.54
Transfers Out	(12,894,220.05)		(13,729,843.00)	
Sale of Capital Assets	20,795.00			
Insurance Recoveries				
Total Other Financing Sources (Uses)	\$ (12,873,425.05)	\$ 4,526,787.03	\$ (11,745,714.06)	\$ 153,936.54
NET CHANGE IN FUND BALANCES	\$ 14,843,413.89	\$ 1,996.13	\$ (168,484.00)	\$ 1,083.33
FUND FINANCIAL STATEMENTS - FUND BALANCES				
Fund Balance - September 1, 2016	\$ 136,647,143.37	\$ 0.00	\$ 52,303,215.13	\$ 0.00
Restatements				
Fund Balance - September 1, 2016, as Restated	\$ 136,647,143.37	\$ 0.00	\$ 52,303,215.13	\$ 0.00
Appropriations Lapsed				
FUND BALANCES - August 31, 2017	\$ 151,490,557.26	\$ 1,996.13	\$ 52,134,731.13	\$ 1,083.33

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Consolidated Funds

License Plate Trust Fund	Law Enforcement Account	Sexual Assault Program Account	Sexual Assault Prevention and Crisis Services	Totals (Exh. II)
(0802) U/F (0803, 0804, 0805)	(5006) U/F (0367/5006)	(5010) U/F (5010)	(5037) U/F (5037)	2017
\$	\$	\$	\$	\$ 6,664,852.51
		4,984,102.98		(21,639,960.07)
				20,795.00
				0.00
<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 4,984,102.98</u>	<u>\$ 0.00</u>	<u>\$ (14,954,312.56)</u>
<u>\$ 9,176.67</u>	<u>\$ (242,956.31)</u>	<u>\$ 13,413,447.21</u>	<u>\$ 0.00</u>	<u>\$ 27,857,676.92</u>
\$ 73,180.07	\$ 2,643,857.85	\$ 20,112,967.97	\$ 24.16	\$ 211,780,388.55
				0.00
<u>\$ 73,180.07</u>	<u>\$ 2,643,857.85</u>	<u>\$ 20,112,967.97</u>	<u>\$ 24.16</u>	<u>\$ 211,780,388.55</u>
				0.00
<u>\$ 82,356.74</u>	<u>\$ 2,400,901.54</u>	<u>\$ 33,526,415.18</u>	<u>\$ 24.16</u>	<u>\$ 239,638,065.47</u>

Office of the Attorney General (302)
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EXHIBIT J-1
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES:
Agency Funds
For the Fiscal Year Ended August 31, 2017

	Balances September 1, 2016	Additions	Deductions	Balances August 31, 2017
Child Support Employ Deduct (0807) U/F (8070)				
Assets				
Cash in State Treasury	\$ 36,888.96	\$ 527,409.56	\$ 522,412.38	\$ 41,886.14
Total Assets	<u>\$ 36,888.96</u>	<u>\$ 527,409.56</u>	<u>\$ 522,412.38</u>	<u>\$ 41,886.14</u>
Liabilities				
Accounts Payable	\$ 0.00	\$ 483,321.00	\$ 483,321.00	\$ 0.00
Funds Held for Others	36,888.96	527,409.56	522,412.38	41,886.14
Total Liabilities	<u>\$ 36,888.96</u>	<u>\$ 1,010,730.56</u>	<u>\$ 1,005,733.38</u>	<u>\$ 41,886.14</u>
 Departmental Suspense Fund (0900) U/F (0900,9015, 9016)				
Assets				
Cash on Hand	\$ 2,131,185.57	\$ 2,131,185.57	\$ 3,393,772.29	\$ 868,598.85
Cash in State Treasury	1,735,746.78	94,588,727.65	94,098,130.79	2,226,343.64
Total Assets	<u>\$ 3,866,932.35</u>	<u>\$ 96,719,913.22</u>	<u>\$ 97,491,903.08</u>	<u>\$ 3,094,942.49</u>
Liabilities				
Accounts Payable	\$ 0.00	\$ 14,737,068.82	\$ 14,737,068.82	\$ 0.00
Due to Other Agencies	0.00	534.00	534.00	0.00
Funds Held for Others	3,866,932.35	96,719,913.22	97,491,903.08	3,094,942.49
Total Liabilities	<u>\$ 3,866,932.35</u>	<u>\$ 111,457,516.04</u>	<u>\$ 112,229,505.90</u>	<u>\$ 3,094,942.49</u>
 Direct Deposit Correction (0980) U/F (0980,9014)				
Assets				
Cash in State Treasury	\$ 0.00	\$ 142,240.07	\$ 142,240.07	\$ 0.00
Total Assets	<u>\$ 0.00</u>	<u>\$ 142,240.07</u>	<u>\$ 142,240.07</u>	<u>\$ 0.00</u>
Liabilities				
Funds Held for Others	\$ 0.00	\$ 142,240.07	\$ 142,240.07	\$ 0.00
Total Liabilities	<u>\$ 0.00</u>	<u>\$ 142,240.07</u>	<u>\$ 142,240.07</u>	<u>\$ 0.00</u>

Exhibit J-1 (continued)

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES:

Agency Funds

For the Fiscal Year Ended August 31, 2017

	Balances September 1, 2016	Additions	Deductions	Balances August 31, 2017
Child Support Trust Fund (0994) U/F (0994)				
Assets				
Cash on Hand	\$ 892,757.19	\$ 271,235.97	\$ 0.00	\$ 1,163,993.16
Cash in State Treasury	62,804,315.21	5,620,610,568.65	5,627,835,153.56	55,579,730.30
Receivables:				
Accounts	44,877,604.39	16,163,352.70	15,508,619.83	45,532,337.26
Allowance for Uncollectible Accounts	(39,745,788.58)	0.00	3,032,239.76	(42,778,028.34)
Total Assets	\$ 68,828,888.21	\$ 5,637,045,157.32	\$ 5,646,376,013.15	\$ 59,498,032.38
Liabilities				
Accounts Payable	\$ 0.00	\$ 380,874,121.82	\$ 380,874,121.82	\$ 0.00
Funds Held for Others	68,828,888.21	5,621,534,132.67	5,630,864,988.50	59,498,032.38
Total Liabilities	\$ 68,828,888.21	\$ 6,002,408,254.49	\$ 6,011,739,110.32	\$ 59,498,032.38

Unappropriated Receipts General Revenue Fund (1000) U/F (1001,1003)

Assets				
Cash in State Treasury	\$ 0.00	40,504,725.22	\$ 36,977,511.43	\$ 3,527,213.79
Total Assets	\$ 0.00	\$ 40,504,725.22	\$ 36,977,511.43	\$ 3,527,213.79
Liabilities				
Funds Held for Others	0.00	40,504,725.22	36,977,511.43	3,527,213.79
Total Liabilities	\$ 0.00	\$ 40,504,725.22	\$ 36,977,511.43	\$ 3,527,213.79

TOTALS - ALL AGENCY FUNDS (Exh. VI)

ASSETS

Cash on Hand	\$ 3,023,942.76	\$ 2,402,421.54	\$ 3,393,772.29	\$ 2,032,592.01
Cash in State Treasury	64,576,950.95	5,756,373,671.15	5,759,575,448.23	61,375,173.87
Receivables:				
Accounts	44,877,604.39	16,163,352.70	15,508,619.83	45,532,337.26
Allowance for Uncollectible Accounts	(39,745,788.58)	0.00	3,032,239.76	(42,778,028.34)
	\$ 72,732,709.52	\$ 5,774,939,445.39	\$ 5,781,510,080.11	\$ 66,162,074.80

LIABILITIES

Accounts Payable	\$ 0.00	\$ 396,094,511.64	\$ 396,094,511.64	\$ 0.00
Due to Other Agencies	0.00	534.00	534.00	0.00
Funds Held for Others	72,732,709.52	5,759,428,420.74	5,765,999,055.46	66,162,074.80
Total Liabilities	\$ 72,732,709.52	\$ 6,155,523,466.38	\$ 6,162,094,101.10	\$ 66,162,074.80

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

SCHEDULE 1A
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended August 31, 2017

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Agy/ Univ No	Pass-Through From		Direct Program Amount	Total PT From & Direct Prog. Amount
				Agencies or Universities Amount	Non-State Entities Amount		
Executive Office of the President							
<u>Direct Programs:</u>							
High Intensity Drug Trafficking Areas Program	95.001			\$	\$	\$ 208,434.71	\$ 208,434.71
Totals - Executive Office of the President				\$	0.00	\$ 208,434.71	\$ 208,434.71
U.S Department of the Treasury							
<u>Direct Programs:</u>							
U.S. Department of the Treasury	21.000	TX2273200		\$	\$	\$ 136,144.49	\$ 136,144.49
Totals - U.S. Department of the Treasury				\$	0.00	\$ 136,144.49	\$ 136,144.49

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Agy/ Univ No	Pass-Through To		Expenditures Amount	Total PT To & Exp. Amount
	Agencies or Universities Amount	Non-State Entities Amount		
	\$	\$	\$ 208,434.71	\$ 208,434.71
	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 208,434.71</u>	<u>\$ 208,434.71</u>
	\$	\$	\$ 136,144.49	\$ 136,144.49
	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 136,144.49</u>	<u>\$ 136,144.49</u>

SCHEDULE 1A (continued)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended August 31, 2017

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Agy/ Univ No	Pass-Through From		Direct Program Amount	Total PT From & Direct Prog. Amount				
				Agencies or Universities Amount	Non-State Entities Amount						
U.S. Department of Health & Human Services											
<u>Direct Programs:</u>											
Child Support Enforcement	93.563			\$	\$	\$ 245,353,368.17	\$ 245,353,368.17				
<i>Pass-Through To:</i>											
<i>Office of Court Administration</i>											
Child Support Enforcement Research	93.564					116,063.79	116,063.79				
Grants to States for Access and Visitation Programs	93.597					977,733.26	977,733.26				
<u>Pass-Through From:</u>											
Injury Prevention and Control Research and State and Community Based Programs	93.136						1,810,411.18				
<i>Pass -Through From:</i>											
<i>Department of State Health Services</i>											
			537		1,810,411.18						
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758						567,264.54				
<i>Pass -Through From:</i>											
<i>Department of State Health Services</i>											
			537		567,264.54						
Totals - U.S. Department of Health & Human Services				\$	2,377,675.72	\$	0.00	\$	246,447,165.22	\$	248,824,840.94

Office of the Attorney General (302)
Unaudited

Agy/ Univ No	Pass-Through To		Expenditures Amount	Total PT To & Exp. Amount
	Agencies or Universities Amount	Non-State Entities Amount		
	\$	\$	\$ 238,527,226.41	\$ 245,353,368.17
212	6,826,141.76			
			116,063.79	116,063.79
		699,628.92	278,104.34	977,733.26
		1,809,091.18	1,320.00	1,810,411.18
		567,264.54		567,264.54
	<u>\$ 6,826,141.76</u>	<u>\$ 3,075,984.64</u>	<u>\$ 238,922,714.54</u>	<u>\$ 248,824,840.94</u>

SCHEDULE 1A (continued)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended August 31, 2017

Federal Grantor/ Pass-through Grantor/ Program Title	NSE Name/ CFDA Identifying Number	Agy/ Univ No	Pass-Through From		Direct Program Amount	Total PT From & Direct Prog. Amount	
			Agencies or Universities Amount	Non-State Entities Amount			
U.S. Department of Justice							
<u>Direct Programs:</u>							
Missing Children's Assistance	16.543		\$	\$	\$ 407,311.63	\$ 407,311.63	
Crime Victim Compensation	16.576				19,689,098.75	19,689,098.75	
Vision 21	16.826				60,000.00	60,000.00	
Equitable Sharing Program	16.922				506,786.61	506,786.61	
<u>Pass-Through From:</u>							
Edward Byrne Memorial Justice Assistance Grant Program	16.738					613,740.12	
<u>Pass-Through From:</u>							
<i>Governor - Fiscal</i>		300		613,740.12			
Totals - U.S. Department of Justice			\$	613,740.12	\$ 0.00	\$ 20,663,196.99	\$ 21,276,937.11
 Medicaid Cluster							
U.S. Department of Health and Human Services							
<u>Direct Programs:</u>							
State Medicaid Fraud Control Units	93.775		\$	\$	\$ 16,579,326.28	\$ 16,579,326.28	
Totals - U.S. Department of Health and Human Services			\$	0.00	\$ 0.00	\$ 16,579,326.28	\$ 16,579,326.28
Total Expenditures of Federal Awards			\$	2,991,415.84	\$ 0.00	\$ 284,034,267.69	\$ 287,025,683.53

Office of the Attorney General (302)
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Agy/ Univ No	Pass-Through To		Expenditures Amount	Total PT To & Exp. Amount
	Agencies or Universities Amount	Non-State Entities Amount		
	\$	\$ 49,789.32	\$ 357,522.31	\$ 407,311.63
			19,689,098.75	19,689,098.75
			60,000.00	60,000.00
			506,786.61	506,786.61
			613,740.12	613,740.12
	<u>\$ 0.00</u>	<u>\$ 49,789.32</u>	<u>\$ 21,227,147.79</u>	<u>\$ 21,276,937.11</u>
	\$	\$	\$ 16,579,326.28	\$ 16,579,326.28
	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 16,579,326.28</u>	<u>\$ 16,579,326.28</u>
	<u>\$ 6,826,141.76</u>	<u>\$ 3,125,773.96</u>	<u>\$ 277,073,767.81</u>	<u>\$ 287,025,683.53</u>

SCHEDULE 1A (concluded)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended August 31, 2017

Note 2: 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 (SEFA) to the total federal revenues and federal grant pass-through revenues as reported in the general-purpose financial statements. Total federal revenues and federal pass-through revenues on the operating statement (Exh. II) plus/minus the reconciling items must tie to the "Total Pass-Through To & Expenditure Amount" column reported on the SEFA. Generally, federal funds are not earned until expended; therefore, federal revenues equal federal expenditures for the reporting period.

Per Combined Statement of Revenues, Expenditures & Changes in Fund Balance / Statement of Activities - Governmental Funds (Exh. II):

Governmental Funds - Federal Revenue (Exh. II)	\$ 270,537,843.57
Federal Grant Pass-Through Revenue (Exh. II)	2,991,415.84
Reconciling Items	<u>13,496,424.12</u>
 Total Pass-Through and Expenditures per Federal Schedule	 <u>\$ 287,025,683.53</u>

Note 7: Federal Deferred Revenue

CFDA	Balance 09/01/16	Net Change	Balance 08/31/17
16.922	\$ 776,505.30	\$ 54,830.13	\$ 831,335.43
21.000	578,459.40	78,090.47	656,549.87
	<u>\$ 1,354,964.70</u>	<u>132,920.60</u>	<u>1,487,885.30</u>

The deferred revenue of \$1,487,885.30 is comprised of federal revenue collected but not applied against agency expenditures as of the end of the fiscal year.

Note 8: Disaster Grants-Public Assistance

The Office of the Attorney General did not receive FEMA approval this current reporting fiscal year for eligible expenditures incurred in previous fiscal year.

Note 9: Economic Adjustment Assistance

The Office of the Attorney General did not have any Revolving Loan Funds related to the Economic Adjustment Assistance Program during this current reporting fiscal year.

Note 10: 10 Percent de Minimis Indirect Cost Rate

The Office of the Attorney General did not elect to use the 10 percent de minimis indirect cost rate during this current reporting fiscal year.

SCHEDULE 1B
SCHEDULE OF STATE PASS-THROUGH GRANTS FROM / TO STATE AGENCIES
 For the Fiscal Year Ended August 31, 2017

Pass-Through From:	Grant ID	Agency Number	Amount
CRIMINAL JUSTICE PLANNING GRANTS - GR-D Fund 0421 Governor - Fiscal	300.0004	300	\$ 52,398.01
Total Pass-Through From Other Agencies (Exh. II)			<u>\$ 52,398.01</u>
 Pass-Through To:			
Enhancement of DPS Regional Victim Services Texas Department of Public Safety	302.0002	405	\$ 199,808.00
Sexual Assault Victim's Advocacy Program Texas Department of Criminal Justice	302.0004	696	161,096.28
Victim of Crimes Civil Legal Services Program Supreme Court	302.0005	201	2,489,427.21
Other Victims Assistance Grant Texas Military Department	302.0008	401	207,506.86
Texas Department of Criminal Justice		696	169,127.12
University of North Texas		752	22,366.84
			<u>399,000.82</u>
Total Pass-Through To Other Agencies (Exh. II)			<u>\$ 3,249,332.31</u>

Office of the Attorney General (302)
Unaudited

SCHEDULE 2
TRANSACTIONS AND BALANCES OF THE CHILD SUPPORT TRUST FUND AND
THE RETAINED COLLECTIONS ACCOUNT - RIDER 5
For the Fiscal Year Ended August 31, 2017

	Child Support Trust Fund (0994)	Retained Collections Account (0001) ¹
Fund Balances - September 1, 2016	\$ 68,828,888.21	\$ 81,777,556.76
Less: Cash on Hand	(892,757.19)	
Less: Accounts Receivable	(44,877,604.39)	
Add: Due To Other Funds	0.00	
Add: Allowance for Uncollected Accounts	39,745,788.58	
Cash Balance - September 1, 2016	\$ 62,804,315.21	\$ 81,777,556.76
Cash Deposits	4,840,863,334.17	
Payments to:		
Families	(4,667,767,621.85)	
Other States	(131,737,243.52)	
Department of Family Protective Services (530), Fund (0001)	(726,287.19)	
Transfer to Attorney General (302), Fund (0001) for:		
Recovered Court Costs	(1,339.60)	
Fees - Attorney and Genetic Testing Fees	(261,841.55)	269,919.05
Fees - Annual and Monthly Mandated Service Fees	(17,729,200.97)	17,742,771.36
State Earned Incentives	0.00	0.00
State Portion of Recovered Payments	(13,678,489.56)	13,373,213.95
Federal Portion of Recovered Payments	(16,239,999.82)	
Other	54,104.98	59,053,155.17
State Earned Incentives Draws		74,055,173.00
Federal Interest Received		1,080,080.76
Interagency Contract Revenue		22,593,641.91
Net Operating Expenditures		(168,253,129.69)
Balance - August 31, 2017	\$ 55,579,730.30	\$ 101,692,382.27
Cash on Hand - August 31, 2017	1,163,993.16	
Accounts Receivable	45,532,337.26	
Allowance for Uncollectible Accounts	(42,778,028.34)	
Due To Other Funds (Agency 302, Fund 0001)	0.00	
Balances - August 31, 2017	\$ 59,498,032.38	\$ 101,692,382.27

¹Totals are comprised of amounts from appropriations 13003 and 13013 that are included in the 08/31/2017 cash balance.

