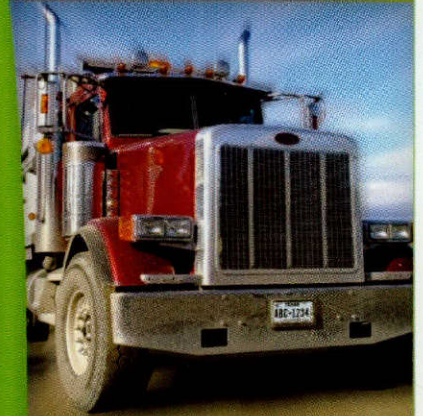




Texas Department of Motor Vehicles
HELPING TEXANS GO. HELPING TEXAS GROW.

Annual Financial Report

Fiscal Year Ended
August 31, 2016





Annual Financial Report
Fiscal Year Ended August 31, 2016



Texas Department of Motor Vehicles

Prepared by the
Finance & Administrative Services Division

November 20, 2016

Texas Department of Motor Vehicles Board

Raymond Palacios, Jr., Chair

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Luanne Caraway
Guillermo "Memo" Treviño
Brett Graham

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Gary Painter
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Whitney H. Brewster
Executive Director

Published and distributed
by the
Texas Department of Motor Vehicles
4000 Jackson Avenue
Austin, Texas

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November 20, 2016

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

Ladies and Gentlemen:

Attached is the Texas Department of Motor Vehicle's annual financial report for the year ended August 31, 2016, 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) 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* (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 Mr. Sergio Rey, Director of Accounting, at (512) 465-4203, or Ms. Linda M. Flores, CPA, Chief Financial Officer, at (512) 465-4125.

Sincerely,

A handwritten signature in blue ink that reads "Whitney H. Brewster".

Whitney H. Brewster
Executive Director

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COMBINED FINANCIAL STATEMENTS

-UNAUDITED-

**EXHIBIT I
COMBINED BALANCE SHEET
Statement of Net Assets - Governmental Funds
August 31, 2016**

	Governmental Fund Types		Total Governmental	Capital Asset Adjustments	Long Term Liabilities Adjustments	Statement of Net Assets
	General Revenue (0001) (EXH A-1)	Special Revenue State Highway Fund (0006)				
Assets						
Current Assets:						
Cash on Hand	\$ 15,725.00	\$	\$ 15,725.00	\$	\$	\$ 15,725.00
Cash in Bank	20,000.00		20,000.00			20,000.00
Cash in State Treasury	3,853,144.40		3,853,144.40			3,853,144.40
Legislative Appropriations	64,482,999.55		64,482,999.55			64,482,999.55
Receivables:						
Federal	0.00		0.00			0.00
Accounts Receivable	5,831,961.52	113,480,985.70	119,312,947.22			119,312,947.22
Due From Other Funds (Note 12)	0.00	300,283.38	300,283.38			300,283.38
Due From Other Agencies (Note 12)	19,265.03	0.00	19,265.03			19,265.03
Consumable Inventories	59,066.42		59,066.42			59,066.42
Total Current Assets	<u>74,282,161.92</u>	<u>113,781,269.08</u>	<u>188,063,431.00</u>			<u>188,063,431.00</u>
Non - Current Assets:						
Capital Assets:						
Non - Depreciable						
Land and Land Improvements						
Depreciable						
Buildings and Building Improvements						
Less - Accumulated Depreciation						
Furniture and Equipment						
Less - Accumulated Depreciation						
Vehicles, Boats, & Aircraft						
Less - Accumulated Depreciation						
Intangibles Computer Software						
Less - Accumulated Amortization						
Total Non Current Assets				<u>3,603,008.56</u>		<u>3,603,008.56</u>
Total Assets	<u>\$ 74,282,161.92</u>	<u>\$ 113,781,269.08</u>	<u>\$ 188,063,431.00</u>	<u>\$ 3,603,008.56</u>	<u>\$</u>	<u>\$ 191,666,439.56</u>

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

Texas Department of Motor Vehicles (608)

	Governmental Fund Types		Total Governmental	Capital Asset Adjustments	Long Term Liabilities Adjustments	Statement of Net Assets
	General Revenue (0001) (EXH A-1)	Special Revenue State Highway Fund (0006)				
Liabilities						
Current Liabilities:						
Payables:						
Vouchers Payable	\$ 1,421,268.15	\$ 229,783.19	\$ 1,651,051.34	\$	\$	\$ 1,651,051.34
Accounts Payable	15,321,293.35	1,868,706.14	17,189,999.49			17,189,999.49
Payroll Payable	4,788,769.53	357.24	4,789,126.77			4,789,126.77
Due to Other Funds (Note 12)	300,283.38		300,283.38			300,283.38
Due to Other Agencies (Note 12)	3,344,241.51		3,344,241.51			3,344,241.51
Unearned Revenues						
Employees Compensable Leave (Note 5)					2,570,055.13	2,570,055.13
Total Current Liabilities	<u>25,175,855.92</u>	<u>2,098,846.57</u>	<u>27,274,702.49</u>		<u>2,570,055.13</u>	<u>29,844,757.62</u>
Non-Current Liabilities:						
Employees' Compensable Leave (Note 5)					1,446,104.72	1,446,104.72
Total Non-Current Liabilities					<u>1,446,104.72</u>	<u>0.00</u>
Total Liabilities	<u>25,175,855.92</u>	<u>2,098,846.57</u>	<u>27,274,702.49</u>		<u>4,016,159.85</u>	<u>29,844,757.62</u>
Fund Financial Statement						
Fund Balances:						
Non Spendable (Inventory)	59,066.42		59,066.42			59,066.42
Restricted		111,682,422.51	111,682,422.51			111,682,422.51
Unassigned	<u>49,047,239.58</u>		<u>49,047,239.58</u>			<u>49,047,239.58</u>
Total Fund Balances	<u>49,106,306.00</u>	<u>111,682,422.51</u>	<u>160,788,728.51</u>			<u>160,788,728.51</u>
Total Liabilities and Fund Balances	<u>\$ 74,282,161.92</u>	<u>\$ 113,781,269.08</u>	<u>\$ 188,063,431.00</u>			
Government-Wide Statement of Net Assets						
Net Assets:						
Invested in Capital Assets, Net of Related Debt			\$ 3,603,008.56	\$	\$	\$ 3,603,008.56
Unrestricted				(4,016,159.85)	(4,016,159.85)	(4,016,159.85)
Total Net Assets			<u>\$ 3,603,008.56</u>	<u>\$ (4,016,159.85)</u>	<u>\$</u>	<u>\$ 160,375,577.22</u>

-UNAUDITED-

EXHIBIT II
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
Statement of Activities - Governmental Funds
For the Year Ended August 31, 2016

	Governmental Fund Types			Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Activities
	General (EXH A-2)	Special Revenue State Highway Fund (0006)	Total Governmental			
Revenues						
Legislative Appropriations:						
Original Appropriations	\$ 161,413,842.00	\$	\$ 161,413,842.00			\$ 161,413,842.00
Additional Appropriations	12,969,220.65		12,969,220.65			12,969,220.65
Federal Revenues	350,108.01		350,108.01			350,108.01
Federal Pass-Through Revenues						
State Grant Pass- Through						
Licenses, Fees and Permits	7,446,375.35	1,530,359,037.87	1,537,805,413.22			1,537,805,413.22
Interest & Investment Income	1,478.40		1,478.40			1,478.40
Settlement of Claims						
Sales of Goods and Services	72.00		72.00			72.00
Other	(33,270.26)	30,516.70	(2,753.56)			(2,753.56)
Total Revenues	<u>182,147,826.15</u>	<u>1,530,389,554.57</u>	<u>1,712,537,380.72</u>			<u>1,712,537,380.72</u>
Expenditures						
Salaries and Wages	39,622,961.77	31,376.41	39,654,338.18		82,322.67	39,736,660.85
Payroll Related Costs	12,611,930.71	(131,806.33)	12,480,124.38			12,480,124.38
Professional Fees and Services	18,418,642.53	9,139,225.86	27,557,868.39			27,557,868.39
Travel	351,133.54	3,691.19	354,824.73			354,824.73
Materials and Supplies	11,337,641.20	780,964.50	12,118,605.70			12,118,605.70
Communications and Utilities	4,748,274.40	618,731.38	5,367,005.78			5,367,005.78
Repairs and Maintenance	1,698,371.99	2,808,455.15	4,506,827.14			4,506,827.14
Rentals and Leases	947,942.58	4,628.25	952,570.83			952,570.83
Printing and Reproduction	4,744,885.14	100.00	4,744,985.14			4,744,985.14
Claims and Judgements	80,000.00		80,000.00			80,000.00
Federal Pass-Through Expenditures						
State Grant Pass-Through Expenditures	17,521.81		17,521.81			17,521.81
Intergovernmental Payments	13,387,500.66		13,387,500.66			13,387,500.66
Public Assistance Programs						
Other Operating Expenditures	40,963,302.32	1,390,768.07	42,354,070.39			42,354,070.39
Capital Outlay	249,073.25	676,625.40	925,698.65	(925,698.65)		0.00
Depreciation Expense				1,310,008.22		1,310,008.22
Total Expenditures	<u>149,179,181.90</u>	<u>15,322,759.88</u>	<u>164,501,941.78</u>	<u>384,309.57</u>	<u>82,322.67</u>	<u>164,968,574.02</u>
Excess (Deficit) of Revenues over Expenditures	32,968,644.25	1,515,066,794.69	1,548,035,438.94	(384,309.57)	(82,322.67)	1,547,568,806.70
Other Financing Sources (Uses)						
Transfers In (Note 12)	0.00		0.00			0.00
Transfers Out (Note 12)	(1,134.00)	(1,524,784,221.49)	(1,524,785,355.49)			(1,524,785,355.49)
Sale of Capital Assets	1,440.00	0.00	1,440.00	(1,440.00)		0.00
Legislative Financing Sources	0.00		0.00			0.00
Loss on Capital Assets						
Insurance Recoveries						
Legislative Transfers In (Note 12)						
Legislative Transfers Out (Note 12)						
Gain (Loss) on of Capital Assets				(14,793.98)		(14,793.98)
Inc (Dec) in Net Assets Due to Interagency Transfer				159,610.55		159,610.55
Total Other Financing Sources (Uses)	<u>306.00</u>	<u>(1,524,784,221.49)</u>	<u>(1,524,783,915.49)</u>	<u>143,376.57</u>	<u>0.00</u>	<u>(1,524,640,538.92)</u>
Net Change in Fund Balances/Net Assets	<u>32,968,950.25</u>	<u>(9,717,426.80)</u>	<u>23,251,523.45</u>	<u>(240,933.00)</u>	<u>(82,322.67)</u>	<u>22,928,267.78</u>
Fund Financial Statement - Fund Balance						
Fund Balance - Beginning	18,816,196.37	121,399,849.31	140,216,045.68			140,216,045.68
Restatements						
Fund Balance as Restated	<u>18,816,196.37</u>	<u>121,399,849.31</u>	<u>140,216,045.68</u>			<u>140,216,045.68</u>
Appropriations Lapsed	(2,678,840.62)		(2,678,840.62)			(2,678,840.62)
Fund Balances - August 31, 2016	<u>\$ 49,106,306.00</u>	<u>\$ 111,682,422.51</u>	<u>\$ 160,788,728.51</u>			<u>\$ 160,465,472.84</u>
Government-wide Statement of Net Assets						
Net Change in Net Assets			\$ 160,788,728.51	(240,933.00)	\$ (82,322.67)	\$ 160,465,472.84
Net Assets-Beginning				3,906,166.38	(3,933,837.18)	(27,670.80)
Restatements				(62,224.82)		(62,224.82)
Net Assets, September 1, 2015, as Restated and Adjusted				<u>3,843,941.56</u>	<u>(3,933,837.18)</u>	<u>(89,895.62)</u>
Net Assets-August 31, 2016			\$ 160,788,728.51	3,603,008.56	(4,016,159.85)	\$ 160,375,577.22

-UNAUDITED-

EXHIBIT VI
COMBINED STATEMENT OF NET ASSETS - FIDUCIARY FUNDS
August 31, 2016

	Agency Funds <u>(Exhibit J-1)</u>
Assets	
Current Assets:	
Cash in State Treasury	11,943,506
Accounts Receivable	133,455.47
Total Current Assets	\$ <u>12,076,961.01</u>
 Total Assets	 <u><u>12,076,961.01</u></u>
 Liabilities	
Current Liabilities:	
Accounts Payable	995,915.80
Funds Held for Others	11,081,045.21
Total Current Liabilities	<u>12,076,961.01</u>
 Total Liabilities	 \$ <u><u>12,076,961.01</u></u>
 Net Assets	
Net Assets:	<u>(0.00)</u>
Total Net Assets	\$ <u><u>(0.00)</u></u>

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NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Scope of Entity

The Texas Department of Motor Vehicles (TxDMV), created in 2009 by the authority of H.B. 3097, 81st Legislature, Regular Session, is an agency of the State of Texas. TxDMV is responsible for titling and registering vehicles, licensing and regulating of the motor vehicle sales and distribution, salvage dealers, registering commercial oversize/overweight (OS/OW) vehicles, and providing auto theft prevention grants.

The TxDMV has not identified any component units which should have been blended into an appropriated fund.

Basis of Presentation

Due to the statewide requirements included 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.

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 Revenue Fund (0001) – This fund is used to account for all financial resources of the state except those required to be accounted for in another fund. The following accounts are consolidated into the General Revenue fund.

License Plate Trust Fund (0802) – This fund is used to receive and account for fees charged from the sale of specialty license plates collected under Subchapter G, Transportation Code. Funds are to be used in accordance with their specific statutory purpose.

Suspense Fund (0900) – This fund is used to temporarily hold and account for receipts, until the correct disposition of the items is determined. Items held in the fund are cleared to the various other funds or refunded to the payer.

Specialty License Plates Account (5140) – This fund is used to receive and account for fees charged from the sale of special license plates and is in addition to motor vehicle registration fees.

Special Revenue Funds

State Highway Fund (0006) – This fund is restricted to expenditures for the building, maintaining, and policing of the state highways. It derives its financing primarily from legally dedicated revenues such as motor fuels tax and vehicle registration fees, and from federal reimbursements for selected construction projects. This fund includes revenue which supports the TxDMV's automated registration and title system.

The agency collected \$25.8 million in revenue from the \$1 fee authorized by House Bill 3014, 76th Legislature, Regular Session, for a license plate or other registration insignia. The revenue is used to enhance the agency's automated registration and title system.

Capital Assets Adjustments Fund Type

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

Long Term Liabilities Adjustments Fund Type

The Long-Term Liabilities Adjustments fund type is used to convert all other governmental fund types' debt from modified accrual to full accrual. The composition of this fund type is discussed in Note 5.

Fiduciary Fund Types

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

Agency Funds

Agency Funds are used to account for assets held in a custodial capacity for the benefit of other agencies or individuals.

Proportional Registration Distributive Trust Fund (0021) – This fund is used primarily to collect and distribute registration fees from trucking companies that operate in more than one state. The fees are distributed to the individual states based on mileage driven.

Unified Carrier Registration Unappropriated Fund (0645) – This fund is used primarily to collect and distribute registration fees from motor carriers, motor private carriers, brokers, freight forwarders, and leasing companies that operate in more than one state. The fees are distributed in accordance to the Unified Carrier Registration System (49 U.S.C. Section 13908.)

Child Support Deductions (0807) – This fund is used as a holding account where child support payroll deductions are held until disbursed.

City, County, MTA, & SPD Fund (0882) - This fund is used as a holding account where taxes for the state are collected until disbursed.

Suspense Fund (0900) - This fund is used when depositing funds where final disposition has not been determined at the time of the receipt of funds.

Direct Deposit Correction Account (0980) – This fund is used to temporarily hold and account for direct deposits that are unable to be processed until the correct disposition of the item is determined.

Basis of Accounting

The basis of accounting determines when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

Governmental fund types that build the fund financial statements are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized in the period in which they become

measurable and available to finance operations of the fiscal year or liquidate liabilities existing at fiscal year end. The State of Texas considers receivables collected within sixty days after year-end to be available and recognizes them as revenues of the current year for Fund Financial Statements prepared on the modified accrual basis. For federal contracts and grants, revenues have been accrued to the extent earned by eligible expenditures within each fiscal year. Expenditures and other uses of financial resources are recognized when the related liability is incurred.

Governmental adjustment fund types that will build the government-wide financial statements are accounted for using the full accrual method of accounting. This includes capital assets, accumulated depreciation, unpaid Employee Compensable Leave, the unmatured debt service (principal and interest) on general long-term liabilities, long-term capital leases, and long-term claims and judgments. The activity will be recognized in these new fund types.

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). The Board adopts an annual operating budget and policies consistent with these appropriations. Encumbrance accounting is utilized for budgetary control purposes. An encumbrance is defined as an outstanding purchase order or other commitment for goods or services. It reserves a part of the applicable appropriation for future expenditure. Encumbrance balances are reported in Note 15.

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

Assets, Liabilities and Fund Balances

Assets

Cash and Cash Equivalents

Short-term highly liquid investments with an original maturity of three months or less are considered cash equivalents. Cash in bank represents the TxDMV Travel Advance Fund.

Receivables

The receivables represent revenue from fees and federal funds that has been earned but not received. This account is presented net of Allowance for Bad Debts.

Inventories and Prepaid Items

This represents supplies and postage on hand. Supplies for governmental funds are accounted for using the consumption method of accounting. The cost of these items is recognized as expenditure when items are consumed.

Capital Assets

Assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year are capitalized. These assets are capitalized at cost or, if purchased, at appraised fair value as of the date of acquisition. 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.

Payroll Payable

Payroll payable represents the liability for the August payroll payable on September 1st.

Employees' Compensable Leave

Employees' compensable leave represents 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.

Fund Balance/Net Assets

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

Fund Balance Components

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

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

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 outstanding balances for bond, notes, and other debt that are attributed to the acquisition, construction or improvement of those assets.

Unrestricted Net Assets

Unrestricted net assets consist of net assets that have no constraints placed on net asset use by external sources or by law through constitutional provisions or enabling legislation. Unrestricted net assets often have constraints on resources, which are imposed by management but can be removed or modified.

Interfund Activities and Balances

The agency has the following types of transactions among 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 that are recorded as expenditures in the reimbursing fund and as a reduction of expenditures into the reimbursed fund.

Accrual of Operating Transfers, Reimbursements, and Residual Equity Transfers are shown as Due To and Due From instead of accounts receivable or accounts payable.

NOTE 2: CAPITAL ASSETS

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

Governmental Activities	PRIMARY GOVERNMENT							
	Balance 09/01/15	Adjust/ Restate	Reclass. Completed CIP	Reclass. Increase Inter- Agency Transaction	Reclass. Decrease Inter- Agency Transaction	Additions	Deletions	Balance 08/31/16
Non-Depreciable Assets	\$	\$	\$	\$	\$	\$	\$	\$
Total Non-Depreciable Assets								
Depreciable Assets								
Buildings/Building Improvements								
Furniture and Equipment	3,641,607.69	(183,791.84)		370,426.20		640,287.56	(88,394.96)	4,380,134.65
Vehicles, Boats, & Aircraft	866,549.62			66,322.92			(45,497.00)	887,375.54
Other Assets								
Total Depreciable Assets	4,508,157.31	(183,791.84)		436,749.12		640,287.56	(133,891.96)	5,267,510.19
Less Accumulated Depreciation for:								
Buildings/Building Improvements								
Furniture and Equipment	(2,133,705.43)	121,567.02		(204,192.55)		(568,934.17)	77,357.88	(2,707,907.25)
Vehicles, Boats, & Aircraft	(782,277.86)			(66,322.92)		(3,919.44)	40,550.60	(811,969.62)
Other Capital Assets								
Total Accumulated Depreciation	(2,915,983.29)	121,567.02		(270,515.47)		(572,853.61)	117,908.48	(3,519,876.87)
Depreciable Assets, Net	1,592,174.02	(62,224.82)		166,233.65		67,433.95	(15,983.48)	1,747,633.32
Amortizable Assets – Intangible:								
Land Use Rights								
Computer Software	3,494,944.92					278,787.99	(5,010.00)	3,768,722.91
Other Capital Intangible								
Total Amortizable Assets – Intangible	3,494,944.92					278,787.99	(5,010.00)	3,768,722.91
Less Accumulated Amortization for:								
Land Use Rights								
Computer Software	(1,180,952.56)					(737,154.61)	4,759.50	(1,913,347.67)
Other Capital Intangible								
Total Accumulated Amortization	(1,180,952.56)					(737,154.61)	4,759.50	(1,913,347.67)
Amortizable Assets – Intangible, Net	2,313,992.36					(458,366.62)	(250.50)	1,855,375.24
Governmental Activities Capital Assets, Net	\$ 3,906,166.38	(62,224.82)		166,233.65		(390,932.67)	(16,233.98)	\$ 3,603,008.56

NOTE 3: DEPOSITS, INVESTMENTS, & REPURCHASE AGREEMENTS

Deposits of Cash in Bank

As of August 31, 2016, the carrying amount of deposits was \$20,000.00 as presented below:

	Amount
Cash in Bank – Carrying Amount	\$ 20,000.00
Total Cash in Bank per AFR (Exhibit I)	\$ 20,000.00

NOTE 4: SHORT-TERM DEBT

Not applicable

NOTE 5: LONG-TERM LIABILITIES

Changes in Long-Term Liabilities

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

Governmental Activities	Balance 9/01/15	Additions	Reductions	Balance 8/31/16	Amounts Due Within Year
Compensable Leave	\$3,933,837.18	\$4,326,716.00	\$4,244,393.33	\$4,016,159.85	\$2,570,055.13

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 vacation leave balances are recognized in the period paid or taken in governmental fund types. For these fund types, the liability for unpaid benefits is recorded in the Statement of Net Assets. An expense and liability for proprietary fund types are recorded in the proprietary funds as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

NOTE 6: BONDED INDEBTEDNESS

Not Applicable

NOTE 7: DERIVATIVE INSTRUMENTS

Not Applicable

NOTE 8: LEASES**Operating Leases**

Included in the expenditures reported in the financial statement are the following amounts of rent paid or due under operating lease obligations:

Fund Type	Amount
Fund 0006	\$ 5,796.25
Fund 0001	\$ 873,844.20

Note: 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,	
2017	\$ 757,104.59
2018	658,413.21
2019	478,694.83
2020	355,580.94
2021-25	1,342,899.90
Total Minimum Future Lease Rental Payments	\$ 3,592,693.47

NOTE 9: PENSION PLANS AND OPTIONAL RETIREMENT PROGRAM

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

The agency experienced routine transfers with other state agencies, which were consistent with the activities of the fund making the transfer. Repayment of interfund balances will occur within one year from the date of the financial statement. Individual balances and activity at August 31, 2016 are as follows:

	Due from Other Agencies	Due to Other Agencies	Source
General Revenue (01)			
Appd Fund 0802, D23 fund 0802			
Agy 300, D23 fund 0803		39,232.45	Shared Fund
Agy 300, D23 fund 0804		17,075.65	Shared Fund
Agy 300, D23 fund 0805		15,187.75	Shared Fund
Agy 300, D23 fund 0807		607.83	Shared Fund
Agy 302, D23 fund 0803		980.00	Shared Fund
Agy 302, D23 fund 0804		63,710.57	Shared Fund
Agy 302, D23 fund 0805		8,489.50	Shared Fund
Agy 305, D23 fund 0015		17,578.32	Shared Fund
Agy 306 D23 fund 3006		10,264.41	Shared Fund
Agy 332, D23 fund 0802		66.74	Shared Fund
Agy 403 D23 fund 3005		1,115.84	Shared Fund
Agy 403, D23 fund 3006		543.32	Shared Fund
Agy 411, D23 fund 0802		2,706.13	Shared Fund
Agy 506, D23 fund 0802		4,386.93	Shared Fund
Agy 529, D23 fund 0802		17,994.77	Shared Fund
Agy 530, D23 fund 0802		6,904.50	Shared Fund
Agy 537, D23 fund 0802		16,709.68	Shared Fund
Agy 537, D23 fund 0803		934,103.72	Shared Fund
Agy 537, D23 fund 0804		18,247.03	Shared Fund
Agy 537, D23 fund 0805		40,290.21	Shared Fund
Agy 538, D23 fund 0802		7,597.07	Shared Fund
Agy 539 D23 fund 0802		2,132.20	Shared Fund
Agy 542, D23 fund 0802		50.26	Shared Fund
Agy 542, D23 fund 4100	19,265.03		Shared Fund
Agy 542, D23 fund 4200		19,265.38	Shared Fund
Agy 551, D23 fund 0802		67,976.00	Shared Fund
Agy 555, D23 fund 2802		6,113.25	Shared Fund
Agy 555, D23 fund 2270		7,865.81	Shared Fund
Agy 555, D23 fund 3802		1,301.22	Shared Fund
Agy 576, D23 fund 0802		16,669.13	Shared Fund
Agy 582, D23 fund 0802		1,833.06	Shared Fund
Agy 701, D23 fund 2242		1,057.00	Shared Fund
Agy 701, D23 fund 2250		4,021.86	Shared Fund
Agy 701, D23 fund 2260		44.00	Shared Fund
Agy 701, D23 fund 2270		2,458.79	Shared Fund
Agy 701, D23 fund 2271		2,701.92	Shared Fund
Agy 701, D23 fund 2273		6,304.34	Shared Fund
Agy 701, D23 fund 2274		5,098.94	Shared Fund

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	Due from Other Agencies	Due to Other Agencies	Source
Agy 711, D23 fund 0802		61,303.92	Shared Fund
Agy 714, D23 fund 0802		10,157.99	Shared Fund
Agy 715, D23 fund 0802		102,075.58	Shared Fund
Agy 717, D23 fund 0802		14,993.19	Shared Fund
Agy 721, D23 fund 0802		140,685.07	Shared Fund
Agy 724, D23 fund 0802		18,079.18	Shared Fund
Agy 730, D23 fund 0802		7.37	Shared Fund
Agy 732, D23 fund 0802		1,537.71	Shared Fund
Agy 733, D23 fund 0802		5,310.53	Shared Fund
Agy 734, D23 fund 0802		604.95	Shared Fund
Agy 735, D23 fund 0802		161.77	Shared Fund
Agy 737, D23 fund 0802		164.26	Shared Fund
Agy 738, D23 fund 0802		1,314.42	Shared Fund
Agy 743, D23 fund 0802		110.00	Shared Fund
Agy 751, D23 fund 0802		3,885.50	Shared Fund
Agy 752, D23 fund 0802		24,782.42	Shared Fund
Agy 753, D23 fund 0802		4,308.82	Shared Fund
Agy 754, D23 fund 0802		37,952.71	Shared Fund
Agy 755, D23 fund 0802		16,613.64	Shared Fund
Agy 756, D23 fund 0802		19,150.19	Shared Fund
Agy 757, D23 fund 0802		7,877.91	Shared Fund
Agy 759, D23 fund 0802		567.55	Shared Fund
Agy 760, D23 fund 0802		11.00	Shared Fund
Agy 760, D23 fund 1802		1.83	Shared Fund
Agy 765, D23 fund 0802		1,941.42	Shared Fund
Agy 781, D23 fund 4001		22.00	Shared Fund
Agy 781, D23 fund 4002		5,930.39	Shared Fund
Agy 781, D23 fund 4003		32,955.54	Shared Fund
Agy 781, D23 fund 4004		754.38	Shared Fund
Agy 781, D23 fund 4005		4,586.55	Shared Fund
Agy 781, D23 fund 4006		178.09	Shared Fund
Agy 781, D23 fund 4007		1,229.40	Shared Fund
Agy 781, D23 fund 4008		44,468.84	Shared Fund
Agy 781, D23 fund 4009		17,974.36	Shared Fund
Agy 781, D23 fund 4010		22.61	Shared Fund
Agy 781, D23 fund 4011		1,501.41	Shared Fund
Agy 781, D23 fund 4012		10,210.14	Shared Fund
Agy 781, D23 fund 4013		369.14	Shared Fund
Agy 783, D23 fund 0802		11,347.33	Shared Fund
Agy 802, D23 fund 3030		31,026.84	Shared Fund
Agy 802, D23 fund 3043		611,956.58	Shared Fund
Agy 802, D23 fund 3044		128,847.60	Shared Fund
Agy 802, D23 fund 3045		73,608.07	Shared Fund
Agy 802, D23 fund 3046		23,485.21	Shared Fund
Agy 802, D23 fund 3047		180,462.50	Shared Fund
Agy 802, D23 fund 3048		21,533.27	Shared Fund
Agy 802, D23 fund 3049		17,460.99	Shared Fund

	Due from Other Agencies	Due to Other Agencies	Source
Agy 802, D23 fund 3057		59,666.56	Shared Fund
Agy 802, D23 fund 3116		9,888.79	Shared Fund
Agy 802, D23 fund 3120		12,610.21	Shared Fund
Agy 802, D23 fund 3142		32,762.98	Shared Fund
Agy 802, D23 fund 3151		1,912.18	Shared Fund
Agy 808, D23 fund 0802		6,128.26	Shared Fund
Agy 813, D23 fund 0802		146,360.41	Shared Fund
Agy 902, D23 fund 8020		896.95	Shared Fund
Appd Fund 5140, D23 fund 5140			
Agy 551, D23 fund 5140		11,799.42	Shared Fund
Total Due From/To Other Agencies	19,265.03	\$ 3,344,241.51	

	Due from Other Funds	Due to Other Funds	Source
General Revenue (01)			
Appd Fund 0900, D23 fund 0090			
Agy 608, D23 fund 0006		300,283.38	OSOW Permit Funds
Special Revenue (02)			
Appd Fund 0006, D23 fund 0006			
Agy 608, D23 fund 0090	300,283.38		OSOW Permit Funds
Total Due From/To Other Funds	\$ 300,283.38	\$ 300,283.38	

	Transfer In	Transfer Out	Source
General Revenue (01)			
Appd Fund 0001, D23 fund 0001			
Agy 902, D23 fund 0001		1,134.00	Surplus Property
Special Revenue (02)			
Appd Fund 0006, D23 fund 0006			
Agy 601, D23 fund 0006		1,524,784,221.49	Shared Cash
Total Transfers In/Out		\$ 1,524,785,355.49	

NOTE 13: CONTINUANCE SUBJECT TO REVIEW

Under the Texas Sunset Act, the Agency will be abolished effective September 1, 2019, unless continued in existence by the Legislature as provided by the Act. If abolished, the agency may continue until September 1, 2020, to close out its operations.

NOTE 14: ADJUSTMENTS TO FUND BALANCES AND NET POSITION

During Fiscal Year 2016, a net decrease in the amount of \$62,224.82, was made to total Net Assets. This adjustment was necessary due to the re-classification of certain capital assets and service costs associated with those assets.

NOTE 15: CONTINGENCIES AND COMMITMENTS**Federal Assistance**

The TxDMV receives federal financial assistance for specific purposes that are subject to review or audit by the federal grantor agencies. Entitlement to this assistance is generally conditional upon compliance with the terms and conditions of the grant agreements and applicable federal regulations. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Management believes such disallowance, if any, will be immaterial.

Encumbrances

As of August 31, 2016, the TxDMV had encumbered the following amounts in governmental funds for signed contracts and purchase orders:

	General Revenue Fund (0001)	Special Revenue Fund (0006)
Encumbrances	\$ 22,271,317.66	\$ 15,294,190.02

NOTE 16: SUBSEQUENT EVENTS

Not Applicable

NOTE 17: RISK MANAGEMENT

The department is exposed to a wide range of risks, due to the size, scope and nature of its activities. Some of these risks include, but are not limited to property and casualty losses, workers' compensation and health benefit claims, theft, damage of assets, etc. The department retains these risks, and manages them through insurance and safety programs. In FY2016, the department had \$80,000.00 in payments related to claims.

	Beginning Balance	Increases	Decreases	Ending Balance
2016	-	\$80,000.00	\$(80,000.00)	-

NOTE 18: MANAGEMENT DISCUSSION AND ANALYSIS

Fiscal Year 2016 was impacted by the creation and transition into the TxDMV Fund. The agency's method of finance for the FY 2016 appropriation was 100% funded by General Revenue. Any funding remaining from the State Highway Fund (Fund 006) are unexpended balances in the Capital Budget for which the agency has carry-forward authority.

For Fiscal Year 2016, overall revenue collections finished 1.6% or approximately \$24 million higher compared to Fiscal Year 2015 revenues. A majority of the higher than anticipated revenue collections are attributed to increased registration revenue driven by a 1.6% year-over-year increase in the number of registered vehicles. This increase was offset by decreased revenue collections associated with the number of permits issued for Oversize/Overweight carriers related to the decline in the oil industry.

Year-to-date expenditures through August 31, 2016 totaled \$164 million. Significant expenditure categories include salaries and operating expenses (postage, reproduction/printing and contract services), license plate production, registration and titling. Capital budget expenses totaled \$19 million primarily consisting of expenditures for the Data Center Consolidation contract (\$7.4 million), the TxDMV Automation project (\$8.8 million), County technology upgrades (\$1.5 million) and \$1.3 million in other projects like the Application Migration and Server Transformation (AMSIT), Commercial Vehicle Information Systems and Networks (CVISN), and Agency Growth and Enhancements.

The largest portion of Automation expenditures were for costs associated with the Registration and Titling System (RTS) Refactoring project (\$10.8 million). TxDMV has the authority to carry forward approximately \$49.8 million in capital funds including Automation, the Data Center services and other capital projects.

NOTE 19: THE FINANCIAL REPORTING ENTITY

Not Applicable

NOTE 20: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Not Applicable

NOTE 21:

Not Applicable to the reporting requirement process.

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

COMBINING FINANCIAL STATEMENTS

-UNAUDITED-

**EXHIBIT A-1
COMBINING BALANCE SHEET
All General and Consolidated Funds
August 31, 2016**

	Consolidated Accounts					
	General Revenue Account (0001)	License Plate Trust Fund Account (0802)	Suspense Type Activities Account (0900)	Speciality License Plate Program Account (5140)	Returned Items Type Activities Account (9001)	Total
Assets						
Current Assets:						
Cash on Hand	\$ 15,725.00					\$ 15,725.00
Cash in Bank	20,000.00					20,000.00
Cash in State Treasury	35,350.79	3,532,386.60	308,958.38	11,799.42	(35,350.79)	3,853,144.40
Legislative Appropriations	64,482,999.55					64,482,999.55
Receivables:						
Federal	0.00					0.00
Accounts Receivable	5,831,961.52					5,831,961.52
Due From Other Funds (Note 12)	0.00	0.00				0.00
Due From Other Agencies (Note 12)	0.00	19,265.03				19,265.03
Consumable Inventories	59,066.42					59,066.42
Total Current Assets	70,445,103.28	3,551,651.63	308,958.38	11,799.42	(35,350.79)	74,282,161.92
Liabilities						
Current Liabilities						
Payables:						
Vouchers Payable	1,421,268.15					1,421,268.15
Account Payable	15,312,618.35		8,675.00			15,321,293.35
Payroll Payable	4,788,769.53					4,788,769.53
Due to Other Funds (Note 12)			300,283.38			300,283.38
Due to Other Agencies (Note 12)	0.00	3,332,442.09		11,799.42		3,344,241.51
Total Current Liabilities	21,522,656.03	3,332,442.09	308,958.38	11,799.42	0.00	25,175,855.92
Fund Balances						
Non Spendable (Inventory)	59,066.42					59,066.42
Restricted						
Unassigned	48,863,380.83	219,209.54			(35,350.79)	49,047,239.58
Total Fund Balance	48,922,447.25	219,209.54	0.00	0.00	(35,350.79)	49,106,306.00
Total Liabilities and Fund Balances	\$ 70,445,103.28	\$ 3,551,651.63	\$ 308,958.38	\$ 11,799.42	\$ (35,350.79)	\$ 74,282,161.92

-UNAUDITED-

EXHIBIT A-2
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
All General and Consolidated Funds
For the Year Ended August 31, 2016

	General Revenue (0001)	License Plate Trust Fund (0802)	Suspense Type Activities (0900)	Specialty License Plate (5140)	Returned Items Type Activities (9001)	
Revenues						
Legislative Appropriations :						
Original Appropriations	\$ 161,413,842.00	\$	\$	\$	\$	\$ 161,413,842.00
Additional Appropriations	12,969,220.65					12,969,220.65
Federal Revenues	350,108.01					350,108.01
Federal Pass-Through						
State Grant Pass -Through						
Licenses, Fees and Permits	7,427,166.76	19,208.59				7,446,375.35
Interest & Investment Income		1,478.40				1,478.40
Settlement of Claims						
Sales of Goods and Services	72.00					72.00
Other Revenues					(33,270.26)	(33,270.26)
Total Revenues	<u>182,160,409.42</u>	<u>20,686.99</u>	<u>0.00</u>	<u>0.00</u>	<u>(33,270.26)</u>	<u>182,147,826.15</u>
Expenditures						
Salaries and Wages	39,622,961.77					39,622,961.77
Payroll Related Costs	12,611,930.71					12,611,930.71
Professional Fees and Services	18,418,642.53					18,418,642.53
Travel	351,133.54					351,133.54
Materials and Supplies	11,337,641.20					11,337,641.20
Communications and Utilities	4,748,274.40					4,748,274.40
Repairs and Maintenance	1,698,371.99					1,698,371.99
Rentals and Leases	947,942.58					947,942.58
Printing and Reproduction	4,744,885.14					4,744,885.14
Claims and Judgements	80,000.00					80,000.00
Federal Pass-Through Expenditures						
State Grant Pass-Through Expenditures	17,521.81					17,521.81
Intergovernmental Payments	13,387,500.66					13,387,500.66
Public Assistance Programs						
Other Operating Expenditures	40,963,302.32					40,963,302.32
Capital Outlay	249,073.25					249,073.25
Total Expenditures	<u>149,179,181.90</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>149,179,181.90</u>
Excess (Deficit) of Revenues over Expenditures	<u>32,981,227.52</u>	<u>20,686.99</u>	<u>0.00</u>	<u>0.00</u>	<u>(33,270.26)</u>	<u>32,968,644.25</u>
Other Financing Sources (Uses)						
Operating Transfers In (Note 12)						0.00
Operating Transfers Out (Note 12)	(1,134.00)	0.00				(1,134.00)
Insurance Recoveries						
Sale of Capital Assets	1,440.00					1,440.00
Legislative Financing Sources	0.00					0.00
Legislative Transfers In (Note 12)						
Legislative Transfers Out (Note 12)						
Total Other Financing Sources (Uses)	<u>306.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>306.00</u>
Excess (Deficit) of Revenues and other Sources Over Expenditures and Other Uses	32,981,533.52	20,686.99	0.00	0.00	(33,270.26)	32,968,950.25
Fund Balance - Beginning	18,619,754.35	198,522.55			(2,080.53)	18,816,196.37
Restatements						
Fund Balance As Restated	18,619,754.35	198,522.55	0.00	0.00	(2,080.53)	18,816,196.37
Appropriations Lapsed	(2,678,840.62)					(2,678,840.62)
Fund Balance - Ending	<u>\$ 48,922,447.25</u>	<u>\$ 219,209.54</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ (35,350.79)</u>	<u>\$ 49,106,306.00</u>

-UNAUDITED-

EXHIBIT J-1
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
All Agency Funds
August 31, 2016

	Beginning Balances September 1, 2015	Additions	Deductions	Ending Balances August 31, 2016
Unified Carrier Registration-Unappropriated Fund (0645)				
Assets:				
Cash in State Treasury	0.00	17,766,003.51	17,766,003.51	0.00
Accounts Receivable	7,000,961.93	133,455.47	7,000,961.93	133,455.47
Total Assets	\$ <u>7,000,961.93</u>	\$ <u>17,899,458.98</u>	\$ <u>24,766,965.44</u>	\$ <u>133,455.47</u>
Liabilities:				
Accounts Payable	0.00	14,867,566.99	14,867,566.99	0.00
Funds Held for Others	7,000,961.93	10,765,041.58	17,632,548.04	133,455.47
Total Liabilities	\$ <u>7,000,961.93</u>	\$ <u>25,632,608.57</u>	\$ <u>32,500,115.03</u>	\$ <u>133,455.47</u>
Proportional Registration Distributive Fund (0021)				
Assets:				
Cash in State Treasury	2,866,000.62	105,310,044.34	97,235,043.18	10,941,001.78
Total Assets	\$ <u>2,866,000.62</u>	\$ <u>105,310,044.34</u>	\$ <u>97,235,043.18</u>	\$ <u>10,941,001.78</u>
Liabilities:				
Accounts Payable	0.00	28,449,809.73	28,449,809.73	0.00
Funds Held for Others	2,866,000.62	105,309,243.53	97,234,242.37	10,941,001.78
Total Liabilities	\$ <u>2,866,000.62</u>	\$ <u>133,759,053.26</u>	\$ <u>125,684,052.10</u>	\$ <u>10,941,001.78</u>
Child Support - Employee Deduction (0807)				
Assets:				
Cash in State Treasury	11,170.20	118,345.10	122,927.34	6,587.96
Total Assets	\$ <u>11,170.20</u>	\$ <u>118,345.10</u>	\$ <u>122,927.34</u>	\$ <u>6,587.96</u>
Liabilities:				
Accounts Payable	0.00	109,403.14	109,403.14	0.00
Funds Held for Others	11,170.20	118,345.10	122,927.34	6,587.96
Total Liabilities	\$ <u>11,170.20</u>	\$ <u>227,748.24</u>	\$ <u>232,330.48</u>	\$ <u>6,587.96</u>
Suspense Fund (0900)				
Assets:				
Cash in State Treasury	929,514.99	102,560,837.07	102,494,436.26	995,915.80
Total Assets	\$ <u>929,514.99</u>	\$ <u>102,560,837.07</u>	\$ <u>102,494,436.26</u>	\$ <u>995,915.80</u>
Liabilities:				
Accounts Payable	917,427.49	80,821,313.54	80,742,825.23	995,915.80
Funds Held for Others	12,087.50	102,560,837.07	102,572,924.57	0.00
Total Liabilities	\$ <u>929,514.99</u>	\$ <u>183,382,150.61</u>	\$ <u>183,315,749.80</u>	\$ <u>995,915.80</u>

EXHIBIT J-1
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
All Agency Funds
August 31, 2016

	Beginning Balances September 1, 2015	Additions	Deductions	Ending Balances August 31, 2016
Direct Deposit Correction Account (0980)				
Assets:				
Cash in State Treasury	0.00	18,036.07	18,036.07	0.00
Total Assets	\$ 0.00	\$ 18,036.07	18,036.07	\$ 0.00
Liabilities:				
Funds Held for Others	0.00	18,036.07	18,036.07	0.00
Total Liabilities	\$ 0.00	\$ 18,036.07	18,036.07	\$ 0.00
 Unappropriated GR (1000)				
Assets:				
Cash in State Treasury	0.00	227,925,970.87	227,925,970.87	0.00
Total Assets	\$ 0.00	\$ 227,925,970.87	227,925,970.87	\$ 0.00
Liabilities:				
Accounts Payable	0.00	335,018.13	335,018.13	0.00
Funds Held for Others	0.00	227,935,902.71	227,935,902.71	0.00
Total Liabilities	\$ 0.00	\$ 228,270,920.84	228,270,920.84	\$ 0.00
 Total - All Agency Funds				
Assets:				
Cash in State Treasury	3,806,685.81	453,699,236.96	445,562,417.23	11,943,505.54
Accounts Receivable	7,000,961.93	133,455.47	7,000,961.93	133,455.47
Total Assets	\$ 10,807,647.74	\$ 453,832,692.43	\$ 452,563,379.16	\$ 12,076,961.01
Liabilities:				
Accounts Payable	917,427.49	124,583,111.53	124,504,623.22	995,915.80
Funds Held for Others	9,890,220.25	446,707,406.06	445,516,581.10	11,081,045.21
Total Liabilities	\$ 10,807,647.74	\$ 571,290,517.59	\$ 570,021,204.32	\$ 12,076,961.01

(Exhibit VI)

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

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SCHEDULES

-UNAUDITED-

SCHEDULE 1A
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended August 31, 2016

Federal Grantor/ Pass-Through Grantor/ Program Title	Pass-Through From			Direct Program Amount
	CFDA Number	Agency Number	State Agency or University Amount	
U.S. Department of Transportation				
Direct Programs:				
Performance and Registration Information Systems Management	20.231		\$	\$ 1,436.61
Commercial Vehicle Information Systems and Networks	20.237			348,671.40
Total			0.00	0.00 350,108.01
TOTAL FEDERAL FINANCIAL ASSISTANCE			\$ 0.00	\$ 0.00 \$ 350,108.01

Note 2 - Reconciliation

Per Combined Statement of Revenues, Expenditures and Changes in Fund Balance (Governmental Fund Types (Exh II):	
Federal Revenues (Exh II)	\$ 350,108.01
Federal Pass-Through Revenues (Exh II)	
Total	\$ 350,108.01

Texas Department of Motor Vehicles (608)

Total Pass Through From & Direct Program	Agency Number	Pass-Through To		Expenditure Amount	Total Pass Through To & Expenditures
		State Agency or University Amount	Non-State Entities Amount		
\$	\$	\$	\$	\$	\$
<u>350,108.01</u>		<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
\$ <u>350,108.01</u>	\$	\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>0.00</u>

-UNAUDITED-

SCHEDULE 1B
SCHEDULE OF STATE GRANT PASS-THROUGHS FROM/TO STATE AGENCIES
For the Fiscal Year Ended August 31, 2016

General Funds

Pass -Through To:

BATIC Grants		
Texas Dept of Public Safety (405)	\$	17,390.61
Stolen Vehicles		
Texas Dept of Public Safety (405)		34.20
FUGINET		
Texas Dept of Criminal Justice (696)		<u>97.00</u>
Total State Pass- Throughs to Other Agencies	\$	<u><u>17,521.81</u></u>



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