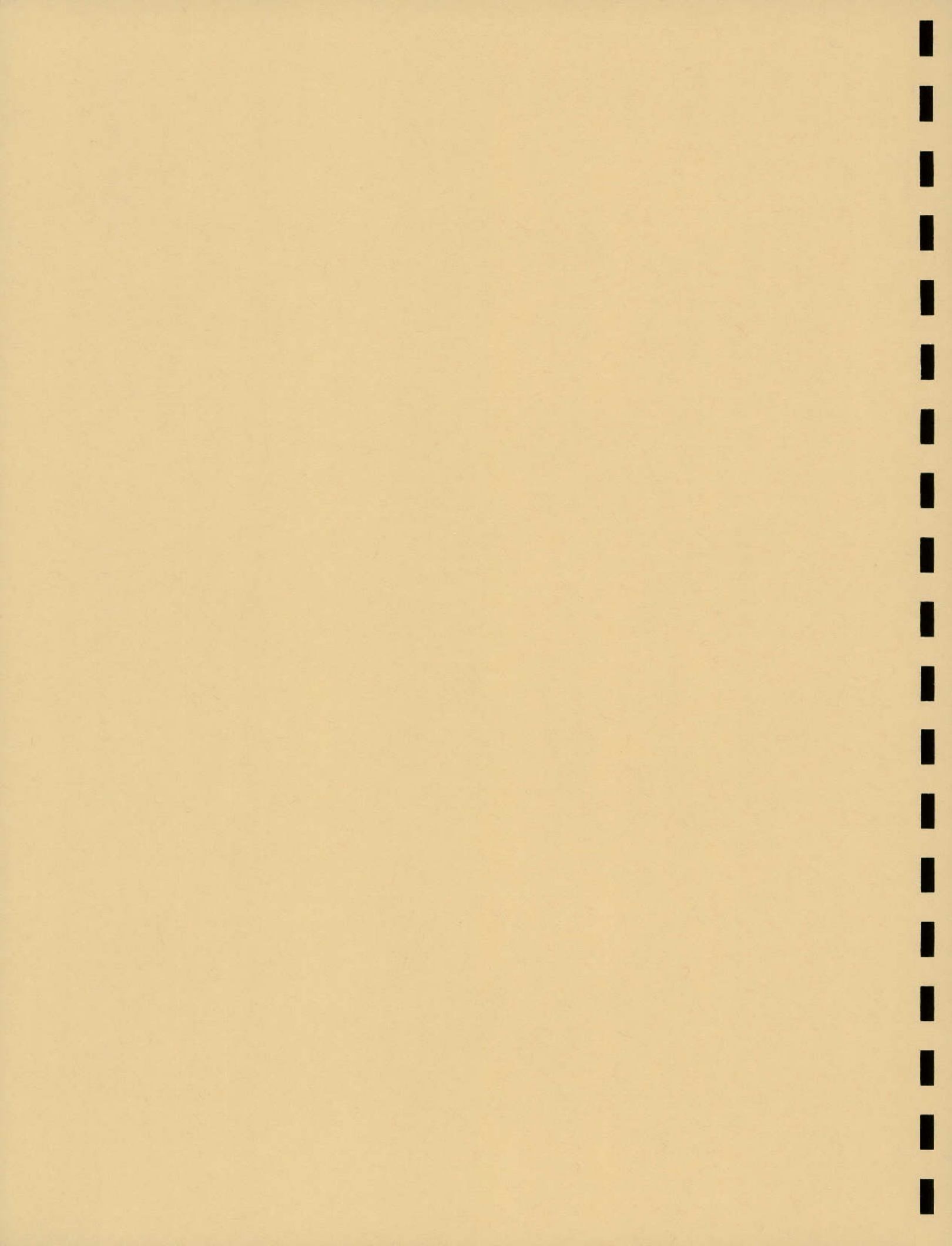


# Annual Financial Report

Fiscal Year 2018  
September 1, 2017 – August 31, 2018



**KEN PAXTON**  
ATTORNEY GENERAL OF TEXAS





**KEN PAXTON**  
ATTORNEY GENERAL OF TEXAS

November 20, 2018

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, 2018, 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.

Sincerely,

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

L. Michele Price, CPA  
Controller



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Office of the Attorney General (302)  
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**EXHIBIT I**  
**COMBINED BALANCE SHEET/STATEMENT OF NET POSITION GOVERNMENTAL FUNDS**  
For the Fiscal Year Ended August 31, 2018

	GENERAL FUNDS (Exh. A-1)	GOVERNMENTAL FUNDS TOTAL
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents		
Cash in Bank (Note 3)	\$ 110,000.00	\$ 110,000.00
Cash in State Treasury	108,819,392.55	108,819,392.55
Legislative Appropriations	162,212,895.64	162,212,895.64
Receivables From:		
Federal	12,128,884.83	12,128,884.83
Other Intergovernmental		0.00
Due From Other Agencies	284,253.14	284,253.14
Consumable Inventories	1,190,280.42	1,190,280.42
Prepaid Items	2,068,802.87	2,068,802.87
<b>Total Current Assets</b>	<b>286,814,509.45</b>	<b>286,814,509.45</b>
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		
<b>Total Non-Current Assets</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL ASSETS</b>	<b>\$ 286,814,509.45</b>	<b>\$ 286,814,509.45</b>
<b>LIABILITIES</b>		
Current Liabilities:		
Payables From:		
Accounts	\$ 13,041,512.12	\$ 13,041,512.12
Payroll	26,345,990.37	26,345,990.37
Due To Other Agencies	1,289,034.62	1,289,034.62
Unearned Revenues	2,449,953.83	2,449,953.83
Employees' Compensable Leave (Note 5)		
<b>Total Current Liabilities</b>	<b>43,126,490.94</b>	<b>43,126,490.94</b>
Non-Current Liabilities:		
Employees' Compensable Leave (Note 5)		
<b>Total Non-Current Liabilities</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 43,126,490.94</b>	<b>\$ 43,126,490.94</b>



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CAPITAL ASSETS ADJUSTMENTS	LONG-TERM LIABILITIES ADJUSTMENTS	OTHER ADJUSTMENTS	STATEMENT OF NET POSITION
\$	\$	\$	\$ 110,000.00
			108,819,392.55
			162,212,895.64
			12,128,884.83
			0.00
			284,253.14
			1,190,280.42
			2,068,802.87
0.00	0.00	0.00	286,814,509.45
9,373,154.44			9,373,154.44
(6,735,584.85)			(6,735,584.85)
7,630,415.88			7,630,415.88
(4,205,446.79)			(4,205,446.79)
137,077,203.46			137,077,203.46
21,369,925.68			21,369,925.68
(14,425,047.60)			(14,425,047.60)
150,084,620.22	0.00	0.00	150,084,620.22
\$ 150,084,620.22	\$ 0.00	\$ 0.00	\$ 436,899,129.67
\$	\$	\$	\$ 13,041,512.12
			26,345,990.37
			1,289,034.62
			2,449,953.83
	12,476,170.83		12,476,170.83
0.00	12,476,170.83	0.00	55,602,661.77
	9,352,095.55		9,352,095.55
0.00	9,352,095.55	0.00	9,352,095.55
\$ 0.00	\$ 21,828,266.38	\$ 0.00	\$ 64,954,757.32

EXHIBIT I (concluded)

COMBINED BALANCE SHEET/STATEMENT OF NET POSITION GOVERNMENTAL FUNDS

For the Fiscal Year Ended August 31, 2018

	GENERAL FUNDS (Exh. A-1)	GOVERNMENTAL FUNDS TOTAL
<b>FUND FINANCIAL STATEMENT</b>		
<b>FUND BALANCES (DEFICITS):</b>		
Nonspendable	\$ 3,259,083.29	\$ 3,259,083.29
Restricted	104,009,848.98	104,009,848.98
Committed	42,246,568.72	42,246,568.72
Assigned	0.00	0.00
Unassigned	94,172,517.52	94,172,517.52
Total Fund Balances	<u>\$ 243,688,018.51</u>	<u>\$ 243,688,018.51</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 286,814,509.45</u>	<u>\$ 286,814,509.45</u>

**GOVERNMENT-WIDE STATEMENT OF NET POSITION**

Net Position:

Net Investment in Capital Assets

Unrestricted

Total Net Position

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>
\$	\$	\$	\$ 3,259,083.29
			104,009,848.98
			42,246,568.72
			0.00
			<u>94,172,517.52</u>
			<u>\$ 243,688,018.51</u>
150,084,620.22			150,084,620.22
	(21,828,266.38)		(21,828,266.38)
<u>\$ 150,084,620.22</u>	<u>\$ (21,828,266.38)</u>	<u>\$ 0.00</u>	<u>\$ 371,944,372.35</u>

Office of the Attorney General (302)  
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**EXHIBIT II**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND**  
**BALANCE / STATEMENT OF ACTIVITIES - Governmental Funds**  
For the Fiscal Year Ended August 31, 2018

	GENERAL (Exh. A-2)	GOVERNMENTAL FUNDS TOTAL
<b>REVENUES</b>		
Legislative Appropriations:		
Original Appropriations (GR)	\$ 102,172,563.00	\$ 102,172,563.00
Additional Appropriations (GR)	44,038,749.57	44,038,749.57
Federal Revenue	277,962,118.71	277,962,118.71
Federal Grant Pass-Through Revenue (Sch. 1A)	3,085,219.83	3,085,219.83
State Grant Pass-Through Revenue (Sch. 1B)	163,504.69	163,504.69
Licenses, Fees and Permits	145,457,631.67	145,457,631.67
Interest and Other Investment Income	1,593,814.97	1,593,814.97
Settlement of Claims	1,236,095.99	1,236,095.99
Sales of Goods and Services	41,554,611.60	41,554,611.60
Other Revenues	90,411,906.60	90,411,906.60
<b>Total Revenues</b>	<b>\$ 707,676,216.63</b>	<b>\$ 707,676,216.63</b>
<b>EXPENDITURES</b>		
Salaries and Wages	\$ 232,265,076.90	\$ 232,265,076.90
Payroll Related Costs	75,755,100.17	75,755,100.17
Professional Fees and Services	73,855,966.14	73,855,966.14
Travel	5,007,486.86	5,007,486.86
Materials and Supplies	32,771,413.28	32,771,413.28
Communication and Utilities	19,824,875.51	19,824,875.51
Repairs and Maintenance	3,204,207.30	3,204,207.30
Rentals and Leases	20,713,974.94	20,713,974.94
Printing and Reproduction	291,665.23	291,665.23
Claims and Judgments	67,553,771.82	67,553,771.82
Federal Grant Pass-Through Expenditures	6,479,791.56	6,479,791.56
State Grant Pass-Through Expenditures	3,128,145.91	3,128,145.91
Intergovernmental Payments	14,014,855.31	14,014,855.31
Public Assistance Payments	21,432,454.19	21,432,454.19
Other Expenditures	62,497,950.80	62,497,950.80
Capital Outlay	33,509,738.65	33,509,738.65
Depreciation & Ammortization Expense		
<b>Total Expenditures/Expenses</b>	<b>\$ 672,306,474.57</b>	<b>\$ 672,306,474.57</b>
<b>EXCESS (DEFICIENCY) OF REVENUES</b>		
<b>OVER EXPENDITURES</b>	<b>\$ 35,369,742.06</b>	<b>\$ 35,369,742.06</b>

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>
\$	\$	\$	\$ 102,172,563.00
			44,038,749.57
			277,962,118.71
			3,085,219.83
			163,504.69
			145,457,631.67
			1,593,814.97
			1,236,095.99
			41,554,611.60
			90,411,906.60
\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>707,676,216.63</u>
\$	\$ (39,721.11)	\$	\$ 232,225,355.79
			75,755,100.17
			73,855,966.14
			5,007,486.86
			32,771,413.28
			19,824,875.51
			3,204,207.30
			20,713,974.94
			291,665.23
			67,553,771.82
			6,479,791.56
			3,128,145.91
			14,014,855.31
			21,432,454.19
			62,497,950.80
(33,509,738.65)			0.00
<u>4,022,159.07</u>			<u>4,022,159.07</u>
\$ <u>(29,487,579.58)</u>	\$ <u>(39,721.11)</u>	\$ <u>0.00</u>	\$ <u>642,779,173.88</u>
\$ 29,487,579.58	\$ 39,721.11	\$ 0.00	\$ 64,897,042.75

**EXHIBIT II (concluded)**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND**

**BALANCE / STATEMENT OF ACTIVITIES - Governmental Funds**

For the Fiscal Year Ended August 31, 2018

	GENERAL (Exh. A-2)	GOVERNMENTAL FUNDS TOTAL
<b>OTHER FINANCING SOURCES (USES):</b>		
Transfers In	\$ 38,667,660.05	\$ 38,667,660.05
Transfers Out	(62,622,805.67)	(62,622,805.67)
Sale of Capital Assets	13,437.00	13,437.00
Insurance Recoveries	32,069.63	32,069.63
Gain(Loss) on Sale of Capital Assets		0.00
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (23,909,638.99)</b>	<b>\$ (23,909,638.99)</b>
<b>Net Change in Fund Balances/Net Position</b>	<b>\$ 11,460,103.07</b>	<b>\$ 11,460,103.07</b>
 <b>FUND FINANCIAL STATEMENTS - FUND BALANCES</b>		
Fund Balance - September 1, 2017	\$ 239,637,915.44	\$ 239,637,915.44
Restatements		0.00
Fund Balance - September 1, 2017, as Restated	\$ 239,637,915.44	\$ 239,637,915.44
Appropriations Lapsed	(7,410,000.00)	(7,410,000.00)
<b>FUND BALANCES - August 31, 2018</b>	<b>\$ 243,688,018.51</b>	<b>\$ 243,688,018.51</b>
 <b>GOVERNMENT-WIDE STATEMENT OF NET POSITION</b>		
Net Position/Net Change in Net Position		\$ 243,688,018.51
Net Position, September 1, 2017		
Restatements		
Net Position, September 1, 2017, as Restated		
Net Position, August 31, 2018		\$ 243,688,018.51

Office of the Attorney General (302)  
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CAPITAL ASSETS ADJUSTMENTS	LONG-TERM LIABILITIES ADJUSTMENTS	OTHER ADJUSTMENTS	STATEMENT OF ACTIVITIES
\$	\$	\$	\$ 38,667,660.05
			(62,622,805.67)
			13,437.00
			32,069.63
<u>(37,958.36)</u>			<u>(37,958.36)</u>
\$ <u>(37,958.36)</u>	\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>(23,947,597.35)</u>
\$	\$	\$	\$ <u>40,949,445.40</u>
			239,637,915.44
			<u>0.00</u>
			\$ <u>239,637,915.44</u>
			<u>(7,410,000.00)</u>
			\$ <u>273,177,360.84</u>
\$ <u>29,449,621.22</u>	\$ <u>39,721.11</u>	\$ <u>0.00</u>	273,177,360.84
\$ 120,576,259.90	\$ (21,867,987.49)	\$	\$ 98,708,272.41
<u>58,739.10</u>			<u>58,739.10</u>
\$ <u>120,634,999.00</u>	\$ <u>(21,867,987.49)</u>	\$ <u>0.00</u>	\$ <u>98,767,011.51</u>
\$ <u>150,084,620.22</u>	\$ <u>(21,828,266.38)</u>	\$ <u>0.00</u>	\$ <u>371,944,372.35</u>

Office of the Attorney General (302)  
Unaudited

**EXHIBIT VI**  
**COMBINED STATEMENT OF NET POSITION - FIDUCIARY FUNDS**  
For the Fiscal Year Ended August 31, 2018

	AGENCY FUNDS (Exh. J-1)	TOTALS
<b>ASSETS</b>		
Cash and Cash Equivalents:		
Cash on Hand	\$ 3,256,787.15	\$ 3,256,787.15
Cash in State Treasury	109,292,186.39	109,292,186.39
Receivables from:		
Accounts	47,311,799.70	47,311,799.70
Allowance for Uncollectible Accounts	<u>(44,195,721.15)</u>	<u>(44,195,721.15)</u>
Total Current Assets	<u>115,665,052.09</u>	<u>115,665,052.09</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>115,665,052.09</u></b>	<b>\$ <u>115,665,052.09</u></b>
<b>LIABILITIES</b>		
Payables from:		
Accounts	\$ 0.00	\$ 0.00
Funds Held For Others	<u>115,665,052.09</u>	<u>115,665,052.09</u>
Total Current Liabilities	<u>115,665,052.09</u>	<u>115,665,052.09</u>
<b>TOTAL LIABILITIES</b>	<b>\$ <u>115,665,052.09</u></b>	<b>\$ <u>115,665,052.09</u></b>
<b>Total Net Position</b>	<b>\$ <u>0.00</u></b>	<b>\$ <u>0.00</u></b>



## 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.

##### 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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Office of the Attorney General (302)  
Unaudited

**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, 2018, is presented below:

	Balance 9/1/17	Adjustments	PRIMARY GOVERNMENT Reclassifications		
			Completed CIP	Inc-Int'agy Trans	Dec-Int'agy Trans
<b>Governmental Activities</b>					
<b>Non-Depreciable/Non-Amortizable Assets</b>					
Construction in Progress	\$ 108,900,272.11	\$ 58,739.10	\$ (3,124,938.34)	\$ 0.00	\$ 0.00
Total Non-Depreciable/Non-Amortizable	<u>108,900,272.11</u>	<u>58,739.10</u>	<u>(3,124,938.34)</u>	<u>0.00</u>	<u>0.00</u>
<b>Depreciable Assets:</b>					
Furniture and Equipment	\$ 8,562,756.32	\$ 0.00	\$ 0.00	\$ 0.00	\$ (15,397.00)
Vehicles, Boats, and Aircraft	<u>6,872,065.58</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Depreciable Assets at Historical Cost:	<u>15,434,821.90</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(15,397.00)</u>
Less Accumulated Depreciation for:					
Furniture and Equipment	(5,942,062.23)	0.00	0.00	0.00	15,397.00
Vehicles, Boats, and Aircraft	<u>(3,368,124.48)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Accumulated Depreciation	<u>(9,310,186.71)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>15,397.00</u>
Depreciable Assets, Net	<u>6,124,635.19</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>Amortizable Assets - Intangible:</b>					
Computer Software	\$ 17,960,754.30	\$ 0.00	\$ 3,124,938.34	\$ 0.00	\$ 0.00
Total Amortizable Assets - Intangible	<u>17,960,754.30</u>	<u>0.00</u>	<u>3,124,938.34</u>	<u>0.00</u>	<u>0.00</u>
Less Accumulated Amortization for:					
Computer Software	(12,409,401.70)	0.00	0.00	0.00	0.00
Total Accumulated Amortization	<u>(12,409,401.70)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Amortizable Assets - Intangible, Net	<u>5,551,352.60</u>	<u>0.00</u>	<u>3,124,938.34</u>	<u>0.00</u>	<u>0.00</u>
<b>Governmental Activities Capital Assets, Net:</b>	<u>\$ 120,576,259.90</u>	<u>\$ 58,739.10</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

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Additions	Deletions	Balance 8/31/18
\$ 31,243,130.59	\$ 0.00	\$ 137,077,203.46
<u>31,243,130.59</u>	<u>0.00</u>	<u>137,077,203.46</u>
\$ 1,061,122.05	\$ (235,326.93)	\$ 9,373,154.44
<u>921,252.97</u>	<u>(162,902.67)</u>	<u>7,630,415.88</u>
1,982,375.02	(398,229.60)	17,003,570.32
(1,044,246.55)	235,326.93	(6,735,584.85)
<u>(962,266.62)</u>	<u>124,944.31</u>	<u>(4,205,446.79)</u>
(2,006,513.17)	360,271.24	(10,941,031.64)
<u>(24,138.15)</u>	<u>(37,958.36)</u>	<u>6,062,538.68</u>
\$ 284,233.04	\$ 0.00	\$ 21,369,925.68
<u>284,233.04</u>	<u>0.00</u>	<u>21,369,925.68</u>
(2,015,645.90)	0.00	(14,425,047.60)
<u>(2,015,645.90)</u>	<u>0.00</u>	<u>(14,425,047.60)</u>
(1,731,412.86)	0.00	6,944,878.08
\$ <u>29,487,579.58</u>	\$ <u>(37,958.36)</u>	\$ <u>150,084,620.22</u>

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

**Deposits of Cash in Bank**

As of August 31, 2018, the carrying amount of deposits was \$110,000.00 as presented below.

<b>Governmental and Business-Type Activities</b>	
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
<b>Total Cash in Bank per AFR</b>	<b>\$ 110,000.00</b>

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	<b>\$ 110,000.00</b>

<b>Fiduciary Funds</b>	
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
<b>Total Cash in Bank per AFR</b>	<b>\$ 0.00</b>
Fiduciary Funds Cash in Bank	\$ 0.00
Fiduciary Funds Restricted Cash in Bank	0.00
Cash in Bank per AFR	<b>\$ 0.00</b>

<b>Discrete Component Unit</b>	
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
<b>Total Cash in Bank per AFR</b>	<b>\$ 0.00</b>
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	<b>\$ 0.00</b>

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, 2018, 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, 2018, the fair value of investments was \$0.00 as presented below.

<b>Governmental and Business-Type Activities</b>	
	<b>Fair Value</b>
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
<b>Total Investments</b>	<b>\$ 0.00</b>
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
<b>Investments per Exhibits</b>	<b>\$ 0.00</b>

<b>Fiduciary Funds</b>	
	<b>Fair Value</b>
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

<b>Discrete Component Unit</b>	
	<b>Fair Value</b>
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, 2018, the following changes occurred in liabilities.

	Balance 9/1/17	Additions	Reductions	Balance 8/31/18	Amounts Due Within One Year	Amounts Due Thereafter
<b>Governmental Activities</b>						
Employees' Compensable Leave	\$ 21,867,987.49	\$ 18,582,843.56	\$ 18,622,564.67	\$ 21,828,266.38	\$ 12,476,170.83	\$ 9,352,095.55
<b>Total Governmental Activities</b>	<u>\$ 21,867,987.49</u>	<u>\$ 18,582,843.56</u>	<u>\$ 18,622,564.67</u>	<u>\$ 21,828,266.38</u>	<u>\$ 12,476,170.83</u>	<u>\$ 9,352,095.55</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>19,347,511.95</u>
Total Memorandum Only	\$ <u>19,347,511.95</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:	
2019	18,880,850.46
2020	15,458,242.95
2021	15,187,662.01
2022	13,649,934.00
2023	11,568,794.23
2024-2028	22,253,892.12
<b>Total Minimum Future Lease Rental Payments</b>	<b>\$ <u>96,999,375.77</u></b>

**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**

During fiscal year 2018, an adjustment was made which required the restatement to the Capital Asset Note 2, GAAP fund 9998/fund 1099 as shown and discussed below:

Capital Assets - This restatement is required to reclassify construction in progress for an intangible asset reported in the prior fiscal year. This intangible asset did not meet the \$1 million capitalization threshold as expected. In addition, this restatement is required to correct construction in progress for a leasehold improvement asset reported in the prior fiscal year. A prior fiscal year adjustment was made into SPA during the current fiscal year, resulting in a current year adjustment.

	September 1, 2017 as Previously Reported	Restatements	September 1, 2017 as Restated
Governmental Activities Adjustments:			
Capital Assets	120,576,259.90	58,739.10	120,634,999.00
Total Governmental Activities Adjustments	120,576,259.90	58,739.10	120,634,999.00
<b>Totals for Governmental Activities</b>	<b>120,576,259.90</b>	<b>58,739.10</b>	<b>120,634,999.00</b>

**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, 2018, the following changes occurred in claims liabilities.

	Claims and Judgments			
	Beginning Balance	Increases	Decreases	Ending Balance
<b>2018</b>	\$ -	\$67,553,771.82	\$67,553,771.82	\$ -
<b>2017</b>	\$ -	\$64,235,444.38	\$64,235,444.38	\$ -

**Risk Management**

The majority of the \$67 million in expenditures from FY 2018 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	\$1,190,280.42	Texas Government Code, Title 10, Subtitle C Section 2113.103; Texas Government Code, Title 4, Subtitle A, Section 403.273	The nonspendable fund balance for the Office of the Attorney General's (OAG) fund 0001 is related to the consumables, which includes postage and the supply inventory, reported for OAG, fund 0001.
0001	0001	Nonspendable	\$2,039,638.38	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 reported for OAG, fund 0001.
0001	0001	Restricted	\$762,759.87	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	Nonspendable	\$13,559.75	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	1006	Committed	\$1,375,077.39	General Appropriations Act, for the 2018-2019 Biennium, 85 <sup>th</sup> Texas Legislature Regular Session, 2017 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	\$39,603,811.97	General Appropriations Act, for the 2018-2019 Biennium, 85 <sup>th</sup> Texas Legislature Regular Session, 2017 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	\$3,251.42	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	\$9,328.77	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	\$61,674,867.55	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	\$3,024.55	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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5006	5006	Restricted	\$1,968,385.43	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, 2018

	General Revenue Fund	Consolidated Funds		
		State Board of Insurance Operating Fund	Compensation to Victims of Crime Fund	Compensation to Victims of Crime Auxiliary Fund
	(0001) U/F (0001/0368/ 1002/1006/1007/9000)	(0036) U/F (0036)	(0469) U/F (0469)	(0494) U/F (0494)
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents:				
Cash in Bank	\$ 110,000.00	\$	\$	\$
Cash in State Treasury	(150.03)		63,242,549.39	
Legislative Appropriations	162,212,895.64			
Receivables From:				
Federal	12,128,884.83			
Other Intergovernmental				
Due From Other Agencies		273,444.82		9,842.46
Consumable Inventories	1,190,280.42			
Prepaid Items	2,053,198.13	3,251.42	9,328.77	3,024.55
Total Current Assets	<u>177,695,108.99</u>	<u>276,696.24</u>	<u>63,251,878.16</u>	<u>12,867.01</u>
<b>TOTAL ASSETS</b>	<u>\$ 177,695,108.99</u>	<u>\$ 276,696.24</u>	<u>\$ 63,251,878.16</u>	<u>\$ 12,867.01</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Payables From:				
Accounts	\$ 12,043,750.22	\$ 2,230.59	\$ 500,477.28	\$ 14.59
Payroll	25,401,575.58	271,214.23	663,372.69	9,827.87
Due To Other Agencies	1,092,137.89		189,838.73	
Unearned Revenues			213,993.14	
Total Current Liabilities	<u>38,537,463.69</u>	<u>273,444.82</u>	<u>1,567,681.84</u>	<u>9,842.46</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 38,537,463.69</u>	<u>\$ 273,444.82</u>	<u>\$ 1,567,681.84</u>	<u>\$ 9,842.46</u>
<b>FUND BALANCES (DEFICITS):</b>				
Nonspendable	\$ 3,243,478.55	\$ 3,251.42	\$ 9,328.77	\$ 3,024.55
Restricted	40,366,571.84		61,674,867.55	
Committed	1,375,077.39			
Assigned				
Unassigned	94,172,517.52			
<b>TOTAL FUND BALANCES</b>	<u>\$ 139,157,645.30</u>	<u>\$ 3,251.42</u>	<u>\$ 61,684,196.32</u>	<u>\$ 3,024.55</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 177,695,108.99</u>	<u>\$ 276,696.24</u>	<u>\$ 63,251,878.16</u>	<u>\$ 12,867.01</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 (0804, 0805)	(5006) U/F (0367/5006)	(5010) U/F (5010)	(5037) U/F (5037)	2018
\$	\$	\$	\$	\$ 110,000.00
	4,390,190.93	41,186,778.10	24.16	108,819,392.55
				162,212,895.64
				12,128,884.83
				0.00
965.86				284,253.14
				1,190,280.42
				2,068,802.87
<u>965.86</u>	<u>4,390,190.93</u>	<u>41,186,778.10</u>	<u>24.16</u>	<u>286,814,509.45</u>
\$ <u>965.86</u>	\$ <u>4,390,190.93</u>	\$ <u>41,186,778.10</u>	\$ <u>24.16</u>	\$ <u>286,814,509.45</u>
\$ 965.86	\$ 150,654.41	\$ 343,419.17	\$	\$ 13,041,512.12
				26,345,990.37
		7,058.00		1,289,034.62
	<u>2,235,960.69</u>			<u>2,449,953.83</u>
<u>965.86</u>	<u>2,386,615.10</u>	<u>350,477.17</u>	<u>0.00</u>	<u>43,126,490.94</u>
\$ <u>965.86</u>	\$ <u>2,386,615.10</u>	\$ <u>350,477.17</u>	\$ <u>0.00</u>	\$ <u>43,126,490.94</u>
\$	\$	\$	\$	3,259,083.29
	1,968,385.43		24.16	104,009,848.98
	35,190.40	40,836,300.93		42,246,568.72
				0.00
				<u>94,172,517.52</u>
<u>0.00</u>	<u>2,003,575.83</u>	<u>40,836,300.93</u>	<u>24.16</u>	<u>243,688,018.51</u>
\$ <u>0.00</u>	\$ <u>2,003,575.83</u>	\$ <u>40,836,300.93</u>	\$ <u>24.16</u>	\$ <u>243,688,018.51</u>
<u>965.86</u>	<u>4,390,190.93</u>	<u>41,186,778.10</u>	<u>24.16</u>	<u>286,814,509.45</u>
\$ <u>965.86</u>	\$ <u>4,390,190.93</u>	\$ <u>41,186,778.10</u>	\$ <u>24.16</u>	\$ <u>286,814,509.45</u>

Office of the Attorney General (302)  
Unaudited

**EXHIBIT A-2**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES &  
CHANGES IN FUND BALANCES: All General and Consolidated Funds**

For the Fiscal Year Ended August 31, 2018

	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 (0469)	Compensation to Victims of Crime Auxiliary Fund  (0494) U/F (0494)
<b>REVENUES</b>				
Legislative Appropriations:				
Original Appropriations(GR)	\$ 102,172,563.00	\$	\$	\$
Additional Appropriations(GR)	44,038,749.57			
Federal Revenue (Sch. 1A)	239,930,550.89		37,522,637.86	
Federal Grant Pass-Through Revenue (Sch. 1A)	(37,511.17)			
State Grant Pass-Through Revenue (Sch. 1B)	25,137.49			
Licenses, Fees, and Permits	48,124,982.45		78,550,222.65	
Interest and Other Investment Income	712,983.14		879,570.33	
Settlement of Claims			950,291.27	
Sales of Goods and Services	41,011,494.92		543,116.68	
Other Revenues	90,114,564.37	3,502.57	293,221.66	
<b>Total Revenues</b>	<b>\$ 566,093,514.66</b>	<b>\$ 3,502.57</b>	<b>\$ 118,739,060.45</b>	<b>\$ 0.00</b>
<b>EXPENDITURES</b>				
Salaries and Wages	\$ 222,136,281.37	\$ 2,560,808.39	\$ 6,685,196.59	\$ 84,820.56
Payroll Related Costs	72,391,034.33	872,139.12	2,438,950.47	38,987.62
Professional Fees and Services	72,244,870.39		1,472,189.75	49,875.00
Travel	4,809,756.15	46,877.77	31,124.20	(33.04)
Materials and Supplies	31,814,132.30	5,466.91	625,671.67	23,856.43
Communication and Utilities	19,582,372.30	23,499.34	165,518.39	946.71
Repairs and Maintenance	3,126,242.60		66,193.95	1,099.75
Rentals and Leases	20,234,717.15		465,265.47	
Printing and Reproduction	265,067.08		26,598.15	
Claims and Judgments	87,227.50		67,466,544.32	
Federal Grant Pass-Through Expenditures	6,479,791.56			
State Grant Pass-Through Expenditures			3,128,145.91	
Intergovernmental Payments	10,598,372.97		3,319,987.32	
Public Assistance Payments	955,438.04		8,940,648.59	
Other Expenditures	61,619,625.69	10,159.58	697,425.39	418.90
Capital Outlay	31,569,147.78	2,866.23	1,467,944.19	
<b>Total Expenditures</b>	<b>\$ 557,914,077.21</b>	<b>\$ 3,521,817.34</b>	<b>\$ 96,997,404.36</b>	<b>\$ 199,971.93</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	<b>\$ 8,179,437.45</b>	<b>\$ (3,518,314.77)</b>	<b>\$ 21,741,656.09</b>	<b>\$ (199,971.93)</b>

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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 (0804/0805)	(5006) U/F (0367/5006)	(5010) U/F (5010)	(5037) U/F (5037)	2018
\$	\$	\$	\$	\$ 102,172,563.00
				44,038,749.57
	508,929.96			277,962,118.71
	499,826.74		2,622,904.26	3,085,219.83
	138,367.20			163,504.69
28,773.33		18,753,653.24		145,457,631.67
1,261.50				1,593,814.97
	285,804.72			1,236,095.99
				41,554,611.60
	618.00			90,411,906.60
<u>\$ 30,034.83</u>	<u>\$ 1,433,546.62</u>	<u>\$ 18,753,653.24</u>	<u>\$ 2,622,904.26</u>	<u>\$ 707,676,216.63</u>
\$	\$	\$	\$	\$ 232,265,076.90
	684,691.79	113,278.20		75,755,100.17
	12,337.22	1,651.41		73,855,966.14
	89,031.00			5,007,486.86
	117,257.64	2,504.14		32,771,413.28
	302,285.97			19,824,875.51
	50,948.08	1,590.69		3,204,207.30
	10,671.00			20,713,974.94
	13,992.32			291,665.23
				67,553,771.82
				6,479,791.56
				3,128,145.91
	13,381.07	83,113.95		14,014,855.31
42,226.65		8,871,236.65	2,622,904.26	21,432,454.19
	66,495.79	103,825.45		62,497,950.80
	469,780.45			33,509,738.65
<u>\$ 42,226.65</u>	<u>\$ 1,830,872.33</u>	<u>\$ 9,177,200.49</u>	<u>\$ 2,622,904.26</u>	<u>\$ 672,306,474.57</u>
\$ (12,191.82)	\$ (397,325.71)	\$ 9,576,452.75	\$ 0.00	\$ 35,369,742.06

Office of the Attorney General (302)  
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**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, 2018 .

	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 (0469)	Compensation to Victims of Crime Auxiliary Fund  (0494) U/F (0494)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	\$	\$ 3,519,570.06	\$	\$ 201,913.15
Transfers Out	(13,147,706.01)		(12,192,190.90)	
Sale of Capital Assets	13,437.00			
Insurance Recoveries	32,069.63			
<b>Total Other Financing Sources (Uses)</b>	\$ (13,102,199.38)	\$ 3,519,570.06	\$ (12,192,190.90)	\$ 201,913.15
<b>NET CHANGE IN FUND BALANCES</b>	\$ (4,922,761.93)	\$ 1,255.29	\$ 9,549,465.19	\$ 1,941.22
<b>FUND FINANCIAL STATEMENTS - FUND BALANCES</b>				
Fund Balance - September 1, 2017	\$ 151,490,407.23	\$ 1,996.13	\$ 52,134,731.13	\$ 1,083.33
Restatements				
Fund Balance - September 1, 2017, as Restated	\$ 151,490,407.23	\$ 1,996.13	\$ 52,134,731.13	\$ 1,083.33
Appropriations Lapsed	(7,410,000.00)			
<b>FUND BALANCES - August 31, 2018</b>	\$ 139,157,645.30	\$ 3,251.42	\$ 61,684,196.32	\$ 3,024.55

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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 (0804, 0805)	(5006) U/F (0367/5006)	(5010) U/F (5010)	(5037) U/F (5037)	2018
\$ 965.86		\$ 34,945,210.98		\$ 38,667,660.05
(71,130.78)		(37,211,777.98)		(62,622,805.67)
				13,437.00
				32,069.63
<u>\$ (70,164.92)</u>	<u>\$ 0.00</u>	<u>\$ (2,266,567.00)</u>	<u>\$ 0.00</u>	<u>\$ (23,909,638.99)</u>
<u>\$ (82,356.74)</u>	<u>\$ (397,325.71)</u>	<u>\$ 7,309,885.75</u>	<u>\$ 0.00</u>	<u>\$ 11,460,103.07</u>
\$ 82,356.74	\$ 2,400,901.54	\$ 33,526,415.18	\$ 24.16	\$ 239,637,915.44
				0.00
<u>\$ 82,356.74</u>	<u>\$ 2,400,901.54</u>	<u>\$ 33,526,415.18</u>	<u>\$ 24.16</u>	<u>\$ 239,637,915.44</u>
				(7,410,000.00)
<u>\$ 0.00</u>	<u>\$ 2,003,575.83</u>	<u>\$ 40,836,300.93</u>	<u>\$ 24.16</u>	<u>\$ 243,688,018.51</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, 2018

	Balances September 1, 2017	Additions	Deductions	Balances August 31, 2018
<b><u>General Revenue Fund (0001) U/F (1020,1021)</u></b>				
<b>Assets</b>				
Cash in State Treasury	\$ 0.00	88,345.34	\$ 88,345.34	\$ 0.00
<b>Total Assets</b>	<b>\$ 0.00</b>	<b>\$ 88,345.34</b>	<b>\$ 88,345.34</b>	<b>\$ 0.00</b>
<b>Liabilities</b>				
Funds Held for Others	0.00	88,345.34	88,345.34	0.00
<b>Total Liabilities</b>	<b>\$ 0.00</b>	<b>\$ 88,345.34</b>	<b>\$ 88,345.34</b>	<b>\$ 0.00</b>
 <b><u>Child Support Employ Deduct (0807) U/F (8070)</u></b>				
<b>Assets</b>				
Cash in State Treasury	\$ 41,886.14	\$ 499,259.43	505,931.30	\$ 35,214.27
<b>Total Assets</b>	<b>\$ 41,886.14</b>	<b>\$ 499,259.43</b>	<b>\$ 505,931.30</b>	<b>\$ 35,214.27</b>
<b>Liabilities</b>				
Accounts Payable	\$ 0.00	\$ 460,736.36	\$ 460,736.36	\$ 0.00
Funds Held for Others	41,886.14	499,259.43	505,931.30	35,214.27
<b>Total Liabilities</b>	<b>\$ 41,886.14</b>	<b>\$ 959,995.79</b>	<b>\$ 966,667.66</b>	<b>\$ 35,214.27</b>
 <b><u>Departmental Suspense Fund (0900) U/F (0900,9015, 9016)</u></b>				
<b>Assets</b>				
Cash on Hand	\$ 868,598.85	\$ 1,593,826.02	\$ 868,598.85	\$ 1,593,826.02
Cash in State Treasury	2,226,343.64	214,724,724.79	213,969,573.28	2,981,495.15
<b>Total Assets</b>	<b>\$ 3,094,942.49</b>	<b>\$ 216,318,550.81</b>	<b>\$ 214,838,172.13</b>	<b>\$ 4,575,321.17</b>
<b>Liabilities</b>				
Accounts Payable	\$ 0.00	\$ 85,981,015.01	\$ 85,981,015.01	\$ 0.00
Funds Held for Others	3,094,942.49	216,318,550.81	214,838,172.13	4,575,321.17
<b>Total Liabilities</b>	<b>\$ 3,094,942.49</b>	<b>\$ 302,299,565.82</b>	<b>\$ 300,819,187.14</b>	<b>\$ 4,575,321.17</b>
 <b><u>Direct Deposit Correction (0980) U/F (0980,9014)</u></b>				
<b>Assets</b>				
Cash in State Treasury	\$ 0.00	\$ 232,544.81	\$ 232,544.81	\$ 0.00
<b>Total Assets</b>	<b>\$ 0.00</b>	<b>\$ 232,544.81</b>	<b>\$ 232,544.81</b>	<b>\$ 0.00</b>
<b>Liabilities</b>				
Funds Held for Others	\$ 0.00	\$ 232,544.81	\$ 232,544.81	\$ 0.00
<b>Total Liabilities</b>	<b>\$ 0.00</b>	<b>\$ 232,544.81</b>	<b>\$ 232,544.81</b>	<b>\$ 0.00</b>

Office of the Attorney General (302)  
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Exhibit J-1 (continued)

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES:**

**Agency Funds**

For the Fiscal Year Ended August 31, 2018

	Balances September 1, 2017	Additions	Deductions	Balances August 31, 2018
<b>Child Support Trust Fund (0994) U/F (0994)</b>				
<b>Assets</b>				
Cash on Hand	\$ 1,163,993.16	\$ 498,967.97	\$ 0.00	\$ 1,662,961.13
Cash in State Treasury	55,579,730.30	5,736,252,372.13	5,685,556,625.46	106,275,476.97
Receivables:				
Accounts	45,532,337.26	1,779,462.44	0.00	47,311,799.70
Allowance for Uncollectible Accounts	(42,778,028.34)	0.00	1,417,692.81	(44,195,721.15)
<b>Total Assets</b>	<b>\$ 59,498,032.38</b>	<b>\$ 5,738,530,802.54</b>	<b>\$ 5,686,974,318.27</b>	<b>\$ 111,054,516.65</b>
<b>Liabilities</b>				
Accounts Payable	\$ 0.00	\$ 390,436,912.56	\$ 390,436,912.56	\$ 0.00
Funds Held for Others	59,498,032.38	5,738,528,134.32	5,686,971,650.05	111,054,516.65
<b>Total Liabilities</b>	<b>\$ 59,498,032.38</b>	<b>\$ 6,128,965,046.88</b>	<b>\$ 6,077,408,562.61</b>	<b>\$ 111,054,516.65</b>

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

<b>Assets</b>				
Cash in State Treasury	\$ 0.00	92,296,204.59	\$ 92,296,204.59	\$ 0.00
<b>Total Assets</b>	<b>\$ 0.00</b>	<b>\$ 92,296,204.59</b>	<b>\$ 92,296,204.59</b>	<b>\$ 0.00</b>
<b>Liabilities</b>				
Funds Held for Others	0.00	92,296,204.59	92,296,204.59	0.00
<b>Total Liabilities</b>	<b>\$ 0.00</b>	<b>\$ 92,296,204.59</b>	<b>\$ 92,296,204.59</b>	<b>\$ 0.00</b>

**TOTALS - ALL AGENCY FUNDS (Exh. VI)**

**ASSETS**

Cash on Hand	\$ 2,032,592.01	\$ 2,092,793.99	\$ 868,598.85	\$ 3,256,787.15
Cash in State Treasury	57,847,960.08	6,044,093,451.09	5,992,649,224.78	109,292,186.39
Receivables:				
Accounts	45,532,337.26	1,779,462.44	0.00	47,311,799.70
Allowance for Uncollectible Accounts	(42,778,028.34)	0.00	1,417,692.81	(44,195,721.15)
	<b>\$ 62,634,861.01</b>	<b>\$ 6,047,965,707.52</b>	<b>\$ 5,994,935,516.44</b>	<b>\$ 115,665,052.09</b>

**LIABILITIES**

Accounts Payable	\$ 0.00	\$ 476,878,663.93	\$ 476,878,663.93	\$ 0.00
Funds Held for Others	62,634,861.01	6,047,963,039.30	5,994,932,848.22	115,665,052.09
<b>Total Liabilities</b>	<b>\$ 62,634,861.01</b>	<b>\$ 6,524,841,703.23</b>	<b>\$ 6,471,811,512.15</b>	<b>\$ 115,665,052.09</b>

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

Office of the Attorney General (302)  
Unaudited

**SCHEDULE 1A**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Fiscal Year Ended August 31, 2018

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		
<b>Executive Office of the President</b>							
<u>Direct Programs:</u>							
High Intensity Drug Trafficking Areas Program	95.001			\$	\$	\$ 213,219.99	\$ 213,219.99
Totals - Executive Office of the President				\$	0.00	\$ 213,219.99	\$ 213,219.99
<b>U.S Department of the Treasury</b>							
<u>Direct Programs:</u>							
U.S. Department of the Treasury	21.000	TX2273200		\$	\$	\$ 231,219.92	\$ 231,219.92
Totals - U.S. Department of the Treasury				\$	0.00	\$ 231,219.92	\$ 231,219.92



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		
	\$	\$	\$ 213,219.99	\$ 213,219.99
	\$ 0.00	\$ 0.00	\$ 213,219.99	\$ 213,219.99
	\$	\$	\$ 231,219.92	\$ 231,219.92
	\$ 0.00	\$ 0.00	\$ 231,219.92	\$ 231,219.92

Office of the Attorney General (302)  
Unaudited

**SCHEDULE 1A (continued)**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Fiscal Year Ended August 31, 2018

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			
<b>U.S. Department of Health &amp; Human Services</b>							
<u>Direct Programs:</u>							
Child Support Enforcement	93.563		\$	\$	\$ 235,616,321.49	\$ 235,616,321.49	
<u>Pass-Through To:</u>							
Office of Court Administration							
Child Support Enforcement Research	93.564				199,532.50	199,532.50	
Grants to States for Access and Visitation Programs	93.597				1,033,197.54	1,033,197.54	
<u>Pass-Through From:</u>							
Injury Prevention and Control Research and State and Community Based Programs	93.136					2,114,158.09	
<u>Pass -Through From:</u>							
Department of State Health Services		537		2,114,158.09			
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758					508,746.17	
<u>Pass -Through From:</u>							
Department of State Health Services		537		508,746.17			
Totals - U.S. Department of Health & Human Services			\$	2,622,904.26	\$ 0.00	\$ 236,849,051.53	\$ 239,471,955.79

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		
	\$	\$	\$ 229,136,529.93	\$ 235,616,321.49
212	6,479,791.56			
			199,532.50	199,532.50
		427,998.64	605,198.90	1,033,197.54
		1,751,997.73	362,160.36	2,114,158.09
		508,746.17		508,746.17
	<u>\$ 6,479,791.56</u>	<u>\$ 2,688,742.54</u>	<u>\$ 230,303,421.69</u>	<u>\$ 239,471,955.79</u>

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**SCHEDULE 1A (continued)**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Fiscal Year Ended August 31, 2018

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			
<b>U.S. Department of Justice</b>								
<u>Direct Programs:</u>								
Missing Children's Assistance	16.543			\$	\$	\$ 391,530.40	\$ 391,530.40	
Crime Victim Compensation	16.576					37,522,637.86	37,522,637.86	
Equitable Sharing Program	16.922					49,330.48	49,330.48	
<u>Pass-Through From:</u>								
Edward Byrne Memorial Justice Assistance Grant Program	16.738						462,315.57	
<u>Pass-Through From:</u>								
<i>Governor - Fiscal</i>			300			462,315.57		
<b>Totals - U.S. Department of Justice</b>				\$	462,315.57	\$ 0.00	\$ 37,963,498.74	\$ 38,425,814.31
<b>Medicaid Cluster</b>								
<b>U.S. Department of Health and Human Services</b>								
<u>Direct Programs:</u>								
State Medicaid Fraud Control Units	93.775			\$	\$	\$ 17,185,218.02	\$ 17,185,218.02	
<b>Totals - U.S. Department of Health and Human Services</b>				\$	0.00	\$ 0.00	\$ 17,185,218.02	\$ 17,185,218.02
<b>Total Expenditures of Federal Awards</b>				\$	3,085,219.83	\$ 0.00	\$ 292,442,208.20	\$ 295,527,428.03

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Unaudited

Agy/ Univ No	Pass-Through To		Expenditures Amount	Total PT To & Exp. Amount
	Agencies or Universities Amount	Non-State Entities Amount		
	\$	\$ 9,981.07	\$ 381,549.33	\$ 391,530.40
			37,522,637.86	37,522,637.86
			49,330.48	49,330.48
			462,315.57	462,315.57
	<u>\$ 0.00</u>	<u>\$ 9,981.07</u>	<u>\$ 38,415,833.24</u>	<u>\$ 38,425,814.31</u>
	\$	\$	\$ 17,185,218.02	\$ 17,185,218.02
	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 17,185,218.02</u>	<u>\$ 17,185,218.02</u>
	<u>\$ 6,479,791.56</u>	<u>\$ 2,698,723.61</u>	<u>\$ 286,348,912.86</u>	<u>\$ 295,527,428.03</u>

**SCHEDULE 1A (concluded)**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Fiscal Year Ended August 31, 2018

**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)	\$ 277,962,118.71
Federal Grant Pass-Through Revenue (Exh. II)	3,085,219.83
Reconciling Items	<u>14,480,089.49</u>
 Total Pass-Through and Expenditures per Federal Schedule	 \$ <u>295,527,428.03</u>

**Note 7: Federal Deferred Revenue**

CFDA	Balance 09/01/17	Net Change	Balance 08/31/18
16.576	\$ 0.00	\$ 213,993.14	\$ 213,993.14
16.922	831,335.43	1,076,387.22	1,907,722.65
21.000	656,549.87	427,934.93	1,084,484.80
	<u>\$ 1,487,885.30</u>	<u>1,718,315.29</u>	<u>3,206,200.59</u>

The deferred revenue of \$3,206,200.59 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 Minimus Indirect Cost Rate**

The Office of the Attorney General did not elect to use the 10 percent de minimus 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, 2018

<b>Pass-Through From:</b>	<b>Grant ID</b>	<b>Agency Number</b>	<b>Amount</b>
CRIMINAL JUSTICE PLANNING GRANTS - GR-D Fund 0421 Governor - Fiscal	300.0004	300	\$ 163,504.69
Total Pass-Through From Other Agencies (Exh. II)			<u>\$ 163,504.69</u>
 <b>Pass-Through To:</b>			
Enhancement of DPS Regional Victim Services Texas Department of Public Safety	302.0002	405	\$ 174,057.69
Sexual Assault Victim's Advocacy Program Texas Department of Criminal Justice	302.0004	696	165,929.16
Victim of Crimes Civil Legal Services Program Supreme Court	302.0005	201	2,499,000.00
Other Victims Assistance Grant Texas Military Department	302.0008	401	106,601.74
Texas Department of Criminal Justice		696	162,579.50
University of North Texas		752	19,977.82
			<u>289,159.06</u>
Total Pass-Through To Other Agencies (Exh. II)			<u>\$ 3,128,145.91</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, 2018

	Child Support Trust Fund (0994)	Retained Collections Account (0001) <sup>1</sup>
Fund Balances - September 1, 2017	\$ 59,498,032.38	\$ 101,692,382.27
Less: Cash on Hand	(1,163,993.16)	
Less: Accounts Receivable	(45,532,337.26)	
Add: Due To Other Funds	0.00	
Add: Allowance for Uncollected Accounts	42,778,028.34	
Cash Balance - September 1, 2017	<u>\$ 55,579,730.30</u>	<u>\$ 101,692,382.27</u>
Cash Deposits	5,043,507,233.74	
Payments to:		
Families	(4,812,097,154.84)	
Other States	(133,053,395.24)	
Department of Family Protective Services (530), Fund (0001)	(599,399.34)	
Transfer to Attorney General (302), Fund (0001) for:		
Recovered Court Costs	0.00	
Fees - Attorney and Genetic Testing Fees	(272,411.18)	263,540.92
Fees - Annual and Monthly Mandated Service Fees	(17,962,768.46)	17,959,957.27
State Earned Incentives	0.00	0.00
State Portion of Recovered Payments	(12,970,199.20)	12,696,806.62
Federal Portion of Recovered Payments	(15,878,580.34)	
Other	22,421.53	19,137,805.02
State Earned Incentives Draws		84,569,531.00
Federal Interest Received		1,817,347.35
Interagency Contract Revenue		28,914,748.15
Net Operating Expenditures		<u>(184,437,169.10)</u>
Balance - August 31, 2018	\$ 106,275,476.97	\$ 82,614,949.50
Cash on Hand - August 31, 2018	1,662,961.13	
Accounts Receivable	47,311,799.70	
Allowance for Uncollectible Accounts	(44,195,721.15)	
Due To Other Funds (Agency 302, Fund 0001)	0.00	
Balances - August 31, 2018	<u>\$ 111,054,516.65</u>	<u>\$ 82,614,949.50</u>

<sup>1</sup>Totals are comprised of amounts from appropriations 13003 and 13013 that are included in the 08/31/2018 cash balance.



