



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

## Annual Financial Report

Fiscal Year Ended  
August 31, 2015





**Annual Financial Report**  
Fiscal Year Ended August 31, 2015



Texas Department of Motor Vehicles

Prepared by the  
Finance & Administrative Services Division

November 20, 2015

**Texas Department of Motor Vehicles Board**

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Executive Director

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Austin, Texas



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November 20, 2015

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

Ladies and Gentlemen:

Attached is the Texas Department of Motor Vehicle's annual financial report for the year ended August 31, 2015, 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,

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, 2015**

	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)				
<b>Assets</b>						
<b>Current Assets:</b>						
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	3,453,886.22		3,453,886.22			3,453,886.22
Legislative Appropriations	24,389,630.03		24,389,630.03			24,389,630.03
Receivables:						
Federal	24,188.15		24,188.15			24,188.15
Accounts Receivable	5,795,510.49	124,442,590.01	130,238,100.50			130,238,100.50
Due From Other Funds (Note 12)	274,978.98	500,968.35	775,947.33			775,947.33
Due From Other Agencies (Note 12)						
Consumable Inventories	316,004.76		316,004.76			316,004.76
<b>Total Current Assets</b>	<u>34,289,923.63</u>	<u>124,943,558.36</u>	<u>159,233,481.99</u>			<u>159,233,481.99</u>
<b>Non - Current Assets:</b>						
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						
<b>Total Non Current Assets</b>				<u>3,906,166.38</u>		<u>3,906,166.38</u>
<b>Total Assets</b>	<u>\$ 34,289,923.63</u>	<u>\$ 124,943,558.36</u>	<u>\$ 159,233,481.99</u>	<u>\$ 3,906,166.38</u>	<u>\$</u>	<u>\$ 163,139,648.37</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)				
<b>Liabilities</b>						
Current Liabilities:						
Payables:						
Vouchers Payable	\$ 1,131,263.71	\$ 600,359.61	\$ 1,731,623.32	\$	\$	\$ 1,731,623.32
Accounts Payable	7,567,294.04	1,953,619.80	9,520,913.84			9,520,913.84
Payroll Payable	3,484,958.71	826,512.32	4,311,471.03			4,311,471.03
Due to Other Funds (Note 12)	612,730.01	163,217.32	775,947.33			775,947.33
Due to Other Agencies (Note 12)	2,677,480.79		2,677,480.79			2,677,480.79
Unearned Revenues						
Employees Compensable Leave (Note 5)					2,089,910.12	2,089,910.12
<b>Total Current Liabilities</b>	<u>15,473,727.26</u>	<u>3,543,709.05</u>	<u>19,017,436.31</u>		<u>2,089,910.12</u>	<u>21,107,346.43</u>
Non-Current Liabilities:						
Employees' Compensable Leave (Note 5)					1,843,927.06	1,843,927.06
<b>Total Non-Current Liabilities</b>					<u>1,843,927.06</u>	<u>1,843,927.06</u>
<b>Total Liabilities</b>	<u>15,473,727.26</u>	<u>3,543,709.05</u>	<u>19,017,436.31</u>		<u>3,933,837.18</u>	<u>22,951,273.49</u>
<b>Fund Financial Statement</b>						
Fund Balances:						
Non Spendable (Inventory)	316,004.76		316,004.76			316,004.76
Restricted		121,399,849.31	121,399,849.31			121,399,849.31
Unassigned	<u>18,500,191.61</u>		<u>18,500,191.61</u>			<u>18,500,191.61</u>
Total Fund Balances	<u>18,816,196.37</u>	<u>121,399,849.31</u>	<u>140,216,045.68</u>			<u>140,216,045.68</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 34,289,923.63</u>	<u>\$ 124,943,558.36</u>	<u>\$ 159,233,481.99</u>			
<b>Government-Wide Statement of Net Assets</b>						
Net Assets:						
Invested in Capital Assets, Net of Related Debt			\$ 3,906,166.38	\$	\$	\$ 3,906,166.38
Unrestricted					(3,933,837.18)	(3,933,837.18)
Total Net Assets			<u>\$ 3,906,166.38</u>		<u>(3,933,837.18)</u>	<u>\$ 140,188,374.88</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, 2015**

	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			
<b>Revenues</b>						
Legislative Appropriations:						
Original Appropriations	\$ 109,112,821.00	\$	\$ 109,112,821.00		\$	\$ 109,112,821.00
Additional Appropriations	8,969,795.37		8,969,795.37			8,969,795.37
Federal Revenues	394,940.64	(108,585.69)	286,354.95			286,354.95
Federal Pass-Through Revenues						
State Grant Pass- Through						
Licenses, Fees and Permits	2,771,810.26	1,511,122,636.06	1,513,894,446.32			1,513,894,446.32
Interest & Investment Income	535.73		535.73			535.73
Settlement of Claims						
Sales of Goods and Services	364.50		364.50			364.50
Other	(2,080.53)	16,607.87	14,527.34			14,527.34
<b>Total Revenues</b>	<b>121,248,186.97</b>	<b>1,511,030,658.24</b>	<b>1,632,278,845.21</b>			<b>1,632,278,845.21</b>
<b>Expenditures</b>						
Salaries and Wages	31,281,543.16	7,296,140.92	38,577,684.08		152,062.90	38,729,746.98
Payroll Related Costs	8,443,089.43	2,811,697.70	11,254,787.13			11,254,787.13
Professional Fees and Services	12,172,688.38	8,273,299.61	20,445,987.99			20,445,987.99
Travel	297,589.51	82,311.77	379,901.28			379,901.28
Materials and Supplies	10,706,255.76	3,456,821.63	14,163,077.39			14,163,077.39
Communications and Utilities	3,873,532.33	579,959.63	4,453,491.96			4,453,491.96
Repairs and Maintenance	2,302,489.62	1,518,802.37	3,821,291.99			3,821,291.99
Rentals and Leases	248,547.73	677,914.22	926,461.95			926,461.95
Printing and Reproduction	6,172,634.70	107,833.49	6,280,468.19			6,280,468.19
Claims and Judgements	3,000.00		3,000.00			3,000.00
Federal Pass-Through Expenditures						
State Grant Pass-Through Expenditures	130,764.03		130,764.03			130,764.03
Intergovernmental Payments	13,381,839.16		13,381,839.16			13,381,839.16
Public Assistance Programs						
Other Operating Expenditures	31,973,909.56	6,679,646.34	38,653,555.90			38,653,555.90
Capital Outlay	97,379.64	350,747.30	448,126.94	(448,126.94)		
Depreciation Expense				1,276,173.31		1,276,173.31
<b>Total Expenditures</b>	<b>121,085,263.01</b>	<b>31,835,174.98</b>	<b>152,920,437.99</b>	<b>828,046.37</b>	<b>152,062.90</b>	<b>153,900,547.26</b>
Excess (Deficit) of Revenues over Expenditures	162,923.96	1,479,195,483.26	1,479,358,407.22	(828,046.37)	(152,062.90)	1,478,378,297.95
<b>Other Financing Sources (Uses)</b>						
Transfers In (Note 12)	2,922.56		2,922.56			2,922.56
Transfers Out (Note 12)	(4,351.99)	(1,474,602,256.29)	(1,474,606,608.28)			(1,474,606,608.28)
Sale of Capital Assets	2,070.00	3,776.69	5,846.69			5,846.69
Loss on Capital Assets						
Insurance Recoveries						
Legislative Transfers In (Note 12)						
Legislative Transfers Out (Note 12)						
Gain (Loss) on of Capital Assets				(27,545.13)		(27,545.13)
Inc (Dec) in Net Assets Due to Interagency Transfer				9,422.47		9,422.47
<b>Total Other Financing Sources (Uses)</b>	<b>640.57</b>	<b>(1,474,598,479.60)</b>	<b>(1,474,597,839.03)</b>	<b>(18,122.66)</b>		<b>(1,474,615,961.69)</b>
<b>Net Change in Fund Balances/Net Assets</b>	<b>163,564.53</b>	<b>4,597,003.66</b>	<b>4,760,568.19</b>	<b>(846,169.03)</b>	<b>(152,062.90)</b>	<b>3,762,336.26</b>
<b>Fund Financial Statement - Fund Balance</b>						
<b>Fund Balance - Beginning</b>	19,973,894.76	116,802,845.65	136,776,740.41			136,776,740.41
Restatements						
<b>Fund Balance as Restated</b>	19,973,894.76	116,802,845.65	136,776,740.41			136,776,740.41
Appropriations Lapsed	(1,321,262.92)		(1,321,262.92)			(1,321,262.92)
<b>Fund Balances - August 31, 2015</b>	<b>\$ 18,816,196.37</b>	<b>\$ 121,399,849.31</b>	<b>\$ 140,216,045.68</b>			<b>\$ 139,217,813.75</b>
<b>Government-wide Statement of Net Assets</b>						
Net Change in Net Assets			\$ 140,216,045.68	(846,169.03)	\$ (152,062.90)	\$ 139,217,813.75
Net Assets-Beginning				6,408,502.04	(3,781,774.28)	2,626,727.76
Restatements				(1,656,166.63)		(1,656,166.63)
Net Assets, September 1, 2014, as Restated and Adjusted				4,752,335.41	(3,781,774.28)	970,561.13
Net Assets-August 31, 2015			\$ 140,216,045.68	3,906,166.38	(3,933,837.18)	\$ 140,188,374.88

-UNAUDITED-

**EXHIBIT VI**  
**COMBINED STATEMENT OF NET ASSETS - FIDUCIARY FUNDS**  
**August 31, 2015**

	<u>Agency Funds (Exhibit J-1)</u>
<b>Assets</b>	
<b>Current Assets:</b>	
Cash in State Treasury	\$ 10,807,647.74
<b>Total Current Assets</b>	<u>10,807,647.74</u>
<b>Total Assets</b>	<u><u>10,807,647.74</u></u>
<b>Liabilities</b>	
Current Liabilities:	
Accounts Payable	917,427.49
Funds Held for Others	9,890,220.25
<b>Total Current Liabilities</b>	<u>10,807,647.74</u>
<b>Total Liabilities</b>	\$ <u><u>10,807,647.74</u></u>
<b>Net Assets</b>	
Net Assets:	<u>0.00</u>
<b>Total Net Assets</b>	\$ <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 \$24.6 million in revenue from the \$1 fee authorized by House Bill 3014, 76<sup>th</sup> 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 1<sup>st</sup>.

**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, 2015, is presented below:

Governmental Activities	PRIMARY GOVERNMENT							
	Balance 09/01/14	Adjust/ Restate	Reclass. Completed CIP	Reclass. Increase Inter- Agency Transaction	Reclass. Decrease Inter- Agency Transaction	Additions	Deletions	Balance 08/31/15
Non-Depreciable Assets	\$	\$	\$	\$	\$	\$	\$	\$
<b>Total Non-Depreciable Assets</b>								
Depreciable Assets								
Buildings/Building Improvements								
Furniture and Equipment	3,393,807.42			32,613.51		282,191.94	(67,005.18)	3,641,607.69
Vehicles, Boats, & Aircraft	913,719.62						(47,170.00)	866,549.62
Other Assets								
<b>Total Depreciable Assets</b>	<b>4,307,527.04</b>			<b>32,613.51</b>		<b>282,191.94</b>	<b>(114,175.18)</b>	<b>4,508,157.31</b>
Less Accumulated Depreciation for:								
Buildings/Building Improvements								
Furniture and Equipment	(1,648,470.39)	89,414.49		(23,191.04)		(596,846.44)	45,387.95	(2,133,705.43)
Vehicles, Boats, & Aircraft	(819,912.02)					(3,919.44)	41,553.60	(782,277.86)
Other Capital Assets								
<b>Total Accumulated Depreciation</b>	<b>(2,468,382.41)</b>	<b>89,414.49</b>		<b>(23,191.04)</b>		<b>(600,765.88)</b>	<b>86,941.55</b>	<b>(2,915,983.29)</b>
<b>Depreciable Assets, Net</b>	<b>1,839,144.63</b>	<b>89,414.49</b>		<b>9,422.47</b>		<b>(318,573.94)</b>	<b>(27,233.63)</b>	<b>1,592,174.02</b>
Amortizable Assets – Intangible:								
Land Use Rights								
Computer Software	5,349,371.92	(2,014,132.00)				165,935.00	(6,230.00)	3,494,944.92
Other Capital Intangible								
<b>Total Amortizable Assets – Intangible</b>	<b>5,349,371.92</b>	<b>(2,014,132.00)</b>				<b>165,935.00</b>	<b>(6,230.00)</b>	<b>3,494,944.92</b>
Less Accumulated Amortization for:								
Land Use Rights								
Computer Software	(780,014.51)	268,550.88				(675,407.43)	5,918.50	(1,180,952.56)
Other Capital Intangible								
<b>Total Accumulated Amortization</b>	<b>(780,014.51)</b>	<b>268,550.88</b>				<b>(675,407.43)</b>	<b>5,918.50</b>	<b>(1,180,952.56)</b>
<b>Amortizable Assets –Intangible, Net</b>	<b>4,569,357.41</b>	<b>(1,745,581.12)</b>				<b>(509,472.43)</b>	<b>(311.50)</b>	<b>2,313,992.36</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 6,408,502.04</b>	<b>\$ (1,656,166.63)</b>		<b>\$ 9,422.47</b>		<b>\$ (828,046.37)</b>	<b>\$ (27,545.13)</b>	<b>\$ 3,906,166.38</b>

**NOTE 3: DEPOSITS, INVESTMENTS, & REPURCHASE AGREEMENTS****Deposits of Cash in Bank**

As of August 31, 2015, the carrying amount of deposits was \$20,000.00 as presented below:

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

**NOTE 4: SHORT-TERM DEBT**

Not applicable

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

During the year ended August 31, 2015, the following changes occurred in liabilities.

Governmental Activities	Balance 9/01/14	Additions	Reductions	Balance 8/31/15	Amounts Due Within Year
Compensable Leave	\$3,781,774.28	\$3,271,629.91	\$3,119,567.01	\$3,933,837.18	\$2,089,910.12

**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	\$ 681,680.59
Fund 0001	\$ 162,107.73

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, 2015	
2016	\$ 803,450.48
2017	688,973.73
2018	590,590.57
2019	427,977.78
2020	352,182.39
2021-25	1,342,899.90
<b>Total Minimum Future Lease Rental Payments</b>	<b>\$ 4,206,074.85</b>

**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, 2015 are as follows:

	Due from Other Agencies	Due to Other Agencies	Source
<b>General Revenue (01)</b>			
Appd Fund 0001, D23 fund 0001			
Agy 405, D23 fund 3765		5,646.70	State Pass Through
Agy 405, D23 fund 3775		2,036.90	State Pass Through
Agy 696, D23 fund 0014		27,163.53	State Pass Through
Appd Fund 0802, D23 fund 0802			
Agy 300, D23 fund 0803		27,110.53	Shared Fund
Agy 300, D23 fund 0804		24,446.29	Shared Fund
Agy 300, D23 fund 0805		16,121.36	Shared Fund
Agy 302, D23 fund 0803		28,424.30	Shared Fund
Agy 302, D23 fund 0804		46,595.57	Shared Fund
Agy 302, D23 fund 0805		8,150.31	Shared Fund
Agy 306, D23 fund 0802		18,627.28	Shared Fund
Agy 403, D23 fund 3005		865.95	Shared Fund
Agy 403 D23 fund 3006		519.03	Shared Fund
Agy 506, D23 fund 0802		7,334.82	Shared Fund
Agy 530 D23 fund 0802		2,439.90	Shared Fund
Agy 537, D23 fund 0803		732,469.89	Shared Fund
Agy 537, D23 fund 0804		16,679.89	Shared Fund
Agy 537, D23 fund 0805		34,254.87	Shared Fund
Agy 538, D23 fund 0802		19,957.42	Shared Fund
Agy 539, D23 fund 0802		2,278.10	Shared Fund
Agy 542, D23 fund 0802		6,147.35	Shared Fund
Agy 542, D23 fund 4100		16,026.08	Shared Fund
Agy 542, D23 fund 4200		6,539.60	Shared Fund
Agy 551, D23 fund 0802		8,456.98	Shared Fund
Agy 555, D23 fund 1802		6,308.92	Shared Fund
Agy 555 D23 fund 2802		15,239.41	Shared Fund
Agy 555, D23 fund 3802		1,205.81	Shared Fund
Agy 576, D23 fund 0802		16,214.61	Shared Fund
Agy 701, D23 fund 2250		4,428.67	Shared Fund
Agy 701, D23 fund 2260		110.00	Shared Fund
Agy 701, D23 fund 2270		2,588.06	Shared Fund
Agy 701, D23 fund 2271		3,877.23	Shared Fund
Agy 701, D23 fund 2273		7,760.54	Shared Fund
Agy 701, D23 fund 2274		5,047.39	Shared Fund
Agy 711, D23 fund 0802		42,311.52	Shared Fund
Agy 714, D23 fund 0802		5,635.00	Shared Fund
Agy 715, D23 fund 0802		89,929.70	Shared Fund
Agy 717, D23 fund 0802		11,099.04	Shared Fund

	Due from Other Agencies	Due to Other Agencies	Source
Agy 721, D23 fund 0802		2,201.99	Shared Fund
Agy 724, D23 fund 0802		17,910.85	Shared Fund
Agy 730, D23 fund 0802		2,737.74	Shared Fund
Agy 732, D23 fund 0802		2,113.63	Shared Fund
Agy 733, D23 fund 0802		15,374.78	Shared Fund
Agy 734, D23 fund 0802		601.30	Shared Fund
Agy 735, D23 fund 0802		0.99	Shared Fund
Agy 737, D23 fund 0802		142.44	Shared Fund
Agy 743, D23 fund 0802		110.00	Shared Fund
Agy 747, D23 fund 0802		0.16	Shared Fund
Agy 751, D23 fund 0802		5,071.66	Shared Fund
Agy 752, D23 fund 0802		16,147.68	Shared Fund
Agy 753, D23 fund 0802		2,901.85	Shared Fund
Agy 754, D23 fund 0802		13,674.20	Shared Fund
Agy 755, D23 fund 0802		12,675.93	Shared Fund
Agy 756, D23 fund 0802		17,401.61	Shared Fund
Agy 757, D23 fund 0802		3,905.20	Shared Fund
Agy 759, D23 fund 0802		1,643.88	Shared Fund
Agy 760, D23 fund 1802		1.83	Shared Fund
Agy 765, D23 fund 0802		1,667.81	Shared Fund
Agy 781, D23 fund 4001		22.36	Shared Fund
Agy 781, D23 fund 4002		7,038.16	Shared Fund
Agy 781, D23 fund 4003		4,172.49	Shared Fund
Agy 781, D23 fund 4004		744.18	Shared Fund
Agy 781, D23 fund 4005		4,440.64	Shared Fund
Agy 781, D23 fund 4006		243.20	Shared Fund
Agy 781, D23 fund 4007		1,424.80	Shared Fund
Agy 781, D23 fund 4008		97,279.46	Shared Fund
Agy 781, D23 fund 4009		31,809.08	Shared Fund
Agy 781, D23 fund 4010		22.57	Shared Fund
Agy 781, D23 fund 4011		1,904.43	Shared Fund
Agy 783, D23 fund 0802		1,104.83	Shared Fund
Agy 802, D23 fund 3030		36,985.62	Shared Fund
Agy 802, D23 fund 3043		428,076.93	Shared Fund
Agy 802, D23 fund 3044		27,038.95	Shared Fund
Agy 802, D23 fund 3045		41,907.70	Shared Fund
Agy 802, D23 fund 3046		18,865.90	Shared Fund
Agy 802, D23 fund 3047		190,334.15	Shared Fund
Agy 802, D23 fund 3048		7,235.43	Shared Fund
Agy 802, D23 fund 3049		6,765.09	Shared Fund
Agy 802, D23 fund 3057		59,462.41	Shared Fund
Agy 802, D23 fund 3116		18,666.41	Shared Fund
Agy 802, D23 fund 3120		24,124.94	Shared Fund
Agy 802, D23 fund 3142		30,329.35	Shared Fund
Agy 802, D23 fund 3151		779.45	Shared Fund
Agy 808, D23 fund 0802		5,641.26	Shared Fund
Agy 813, D23 fund 0802		115,367.42	Shared Fund

	Due from Other Agencies	Due to Other Agencies	Source
Appd Fund 5140, D23 fund 5140			
Agy 305, D23 fund 0014		13,172.44	Shared Fund
Agy 332, D23 fund 5140		198.00	Shared Fund
Agy 411, D23 fund 5140		2,663.77	Shared Fund
Agy 537, D23 fund 5140		19,481.20	Shared Fund
Agy 551, D23 fund 5140		64,244.37	Shared Fund
Agy 582, D23 fund 5140		900.13	Shared Fund
Agy 701, D23 fund 5140		925.81	Shared Fund
Agy 714, D23 fund 5140		4,434.35	Shared Fund
Agy 721, D23 fund 5140		9,881.94	Shared Fund
Agy 754, D23 fund 5140		11,833.20	Shared Fund
Agy 781, D23 fund 5140		1,624.29	Shared Fund
<b>Total Due From/To Other Agencies</b>		<b>\$ 2,677,480.79</b>	

	Due from Other Funds	Due to Other Funds	Source
<b>General Revenue (01)</b>			
Appd Fund 0001, D23 fund 0001			
Agy 608, D23 fund 0006	163,217.32		N/A
Appd Fund 0900, D23 fund 0090			
Agy 608, D23 fund 0006		500,968.35	N/A
Appd Fund 0900, D23 fund 0090			
Agy 608, D23 fund 0001		111,761.66	N/A
Appd Fund 0001, D23 fund 0001			
Agy 608, D23 fund 0090	111,761.66		N/A
<b>Special Revenue (02)</b>			
Appd Fund 0006, D23 fund 0006			
Agy 608, D23 fund 0001		163,217.32	N/A
Appd Fund 0006, D23 fund 0006			
Agy 608, D23 fund 0090	500,968.35		N/A
<b>Total Due From/To Other Funds</b>	<b>\$ 775,947.33</b>	<b>\$ 775,947.33</b>	

	Transfer In	Transfer Out	Source
<b>General Revenue (01)</b>			
Appd Fund 0802, D23 fund 0802	2,922.56		Shared Fund
Agy 538, D23 fund 0802			
Appd Fund 0802, D23 fund 0802			
Agy 539, D23 fund 0802		268.56	Shared Fund
Appd Fund 0001, D23 fund 0001			
Agy 902, D23 fund 0001		4,083.43	Surplus Property
<b>Special Revenue (02)</b>			
Appd Fund 0006, D23 fund 0006			
Agy 601, D23 fund 0006		1,474,602,256.29	Shared Cash
<b>Total Transfers In/Out</b>	<b>\$ 2,922.56</b>	<b>\$ 1,474,606,608.28</b>	

**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 2015, an adjustment was made which required restatement of the amounts in Net Assets. A computer software maintenance agreement with the Comptroller of Public Accounts for the Centralized Accounting & Payroll/Personnel System was improperly classified as a capital asset. This results in a net decrease of Non-Current Assets and the total Net Assets by \$1,656,166.63.

**NOTE 15: CONTINGENCIES AND COMMITMENTS**

**Contingent Liabilities**

Claimant/ Plaintiff	Defendant Name	Type of Litigation	Description	Damages Sought	Probability Of Loss	Possible Loss
Various	TxDMV	Certificate Of Title	Dispute of certificate of title. Unable to predict outcome.	Unknown	Reasonable Possible	\$ 2,700

**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, 2015, 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	\$ 6,212,298.27	\$ 10,232,627.95

**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 FY 2015, the department had a \$3,000.00 payment related to a claim.

	Beginning Balance	Increases	Decreases	Ending Balance
2015	-	\$3,000.00	\$(3,000.00)	-

**NOTE 18: MANAGEMENT DISCUSSION AND ANALYSIS**

The 83<sup>rd</sup> Legislature, Regular Session, enacted two bills—H.B. 2202 and H.B. 6—that significantly affect TxDMV's revenue disposition for funds collected by the agency and its method of finance for the 2014-2015 biennium.

H.B. 2202, created the TxDMV Fund and directed certain fees collected by or on the behalf of the TxDMV that were previously deposited to the credit of the State Highway Fund to be deposited to the new fund beginning FY 2014. Subsequently, H.B. 6, the funds consolidation bill, abolished the TxDMV Fund and all revenues that would have been deposited into the newly created TxDMV Fund were re-directed to the credit of the General Revenue Fund.

As in FY 2014, the enactment of these two bills did not affect the total amount of revenue estimated to be collected in FY 2015 by the agency but did affect the disposition of the revenues. The passage of the two bills resulted in a reduction of deposits to the State Highway Fund in the amount of approximately \$113.9 million for FY 2015 and an increase in deposits to General Revenue in the same amount.

As in FY 2014, the enactment of H.B. 2202 combined with the enactment of H.B. 6 significantly modified the agency's method of finance. Although the bill did not alter the TxDMV's appropriations, the bills shifted the funds from which the agency's expenditures are made. During FY 2015, approximately 79% of the agency's expenditures were paid from General Revenue and approximately 21% of its expenditures were paid from the State Highway Fund compared to approximately 34% from the State Highway Fund and 66% from General Revenue in FY 2014.

During FY 2015, the agency was appropriated approximately \$33.7 million in unexpended balances in its capital budget to continue with its automation efforts, designed to enhance the agency's operational efficiencies and the refactoring of the Registration and Titling System (RTS). As of August 31, 2015, the agency has expended approximately \$13.4 million of these funds. The General Appropriations Act provides the authority to the agency to spend the remaining automation funds during FY 2016.

As in 2014, the TxDMV experienced a significant shortfall in the agency's appropriation for Data Center Services (DCS). The actual DCS expenditures in FY 2015 exceeded the available \$4 million appropriation by \$2 million. The TxDMV Board authorized staff to inform the Legislative Budget Board and the Governor's Office of Budget, Planning and Policy that the agency would exceed the 25% limitation for capital budget transfers and to allow the agency to use one-time lapses to fund the deficit.

Overall, for FY 2015, the TxDMV's revenues increased by approximately 2.2% compared to FY 2014, which includes natural growth and additional fees.

Overall, during FY 2015, TxDMV's expenditures decreased by 6.8% when compared to FY 2014. This decrease is primarily due to decreases in automation related projects of approximately \$10 million for computer programming and data processing services, software maintenance and equipment since major components of refactoring projects were completed during FY 2014.

On September 1, 2015, the TxDMV became a financial reporting agency to the Uniform Statewide Accounting System. The agency implemented the financial modules of the Centralized Accounting & Payroll/Personnel System (CAPPS) hosted and maintained by the Comptroller's Office. The core human resources, payroll and timekeeping modules were later implemented in May, 2015.

**NOTE 19: THE FINANCIAL REPORTING ENTITY**

The accompanying financial statements include the financial position and results of operations of all organizations, activities and functions considered to be within the scope of the department's reporting entity.

The Texas Department of Motor Vehicles is a component unit of the state of Texas, and of the statewide Consolidated Annual Financial Report to be issued by the Texas Comptroller of Public Accounts. As such, the department will be audited by the state auditor only to the extent necessary to express an opinion on the financial position of the state as a whole. Accordingly, the state auditor will not express an opinion on the financial statements contained in this report.

**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

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## **COMBINING FINANCIAL STATEMENTS**

-UNAUDITED-

**EXHIBIT A-1  
COMBINING BALANCE SHEET  
All General and Consolidated Funds  
August 31, 2015**

	<b>Consolidated Accounts</b>					
	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
<b>Assets</b>						
Current Assets:						
Cash on Hand	\$ 15,725.00					\$ 15,725.00
Cash in Bank	20,000.00					20,000.00
Cash in State Treasury	2,080.53	2,711,796.71	612,730.01	129,359.50	(2,080.53)	3,453,886.22
Legislative Appropriations	24,389,630.03					24,389,630.03
Receivables:						
Federal	24,188.15					24,188.15
Accounts Receivable	5,795,510.49					5,795,510.49
Due From Other Funds (Note 12)	274,978.98					274,978.98
Due From Other Agencies (Note 12)						
Consumable Inventories	316,004.76					316,004.76
<b>Total Current Assets</b>	<u>30,838,117.94</u>	<u>2,711,796.71</u>	<u>612,730.01</u>	<u>129,359.50</u>	<u>(2,080.53)</u>	<u>34,289,923.63</u>
<b>Liabilities</b>						
Current Liabilities						
Payables:						
Vouchers Payable	1,131,263.71					1,131,263.71
Account Payable	7,567,294.04					7,567,294.04
Payroll Payable	3,484,958.71					3,484,958.71
Due to Other Funds (Note 12)			612,730.01			612,730.01
Due to Other Agencies (Note 12)	34,847.13	2,513,274.16		129,359.50		2,677,480.79
<b>Total Current Liabilities</b>	<u>12,218,363.59</u>	<u>2,513,274.16</u>	<u>612,730.01</u>	<u>129,359.50</u>	<u>0.00</u>	<u>15,473,727.26</u>
<b>Fund Balances</b>						
Non Spendable (Inventory)	316,004.76					316,004.76
Restricted						
Unassigned	18,303,749.59	198,522.55			(2,080.53)	18,500,191.61
<b>Total Fund Balance</b>	<u>18,619,754.35</u>	<u>198,522.55</u>	<u>0.00</u>	<u>0.00</u>	<u>(2,080.53)</u>	<u>18,816,196.37</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 30,838,117.94</u>	<u>\$ 2,711,796.71</u>	<u>\$ 612,730.01</u>	<u>\$ 129,359.50</u>	<u>\$ (2,080.53)</u>	<u>\$ 34,289,923.63</u>

-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, 2015**

	General Revenue Account (0001)	License Plate Trust Fund Account (0802)	Suspense Type Activities Account (0900)	Specialty License Plate Program Account (5140)	Returned Items Type Activities Account (9001)	Totals
<b>Revenues</b>						
Legislative Appropriations :						
Original Appropriations	\$ 109,112,821.00	\$	\$	\$	\$	\$ 109,112,821.00
Additional Appropriations	8,969,795.37					8,969,795.37
Federal Revenues	394,940.64					394,940.64
Federal Pass-Through						
State Grant Pass -Through						
Licenses, Fees and Permits	2,759,977.04	11,833.22				2,771,810.26
Interest & Investment Income		535.73				535.73
Settlement of Claims						
Sales of Goods and Services	364.50					364.50
Other Revenues					(2,080.53)	(2,080.53)
<b>Total Revenues</b>	<u>121,237,898.55</u>	<u>12,368.95</u>	<u>0.00</u>	<u>0.00</u>	<u>(2,080.53)</u>	<u>121,248,186.97</u>
<b>Expenditures</b>						
Salaries and Wages	31,281,543.16					31,281,543.16
Payroll Related Costs	8,443,089.43					8,443,089.43
Professional Fees and Services	12,172,688.38					12,172,688.38
Travel	297,589.51					297,589.51
Materials and Supplies	10,706,255.76					10,706,255.76
Communications and Utilities	3,873,532.33					3,873,532.33
Repairs and Maintenance	2,302,489.62					2,302,489.62
Rentals and Leases	248,547.73					248,547.73
Printing and Reproduction	6,172,634.70					6,172,634.70
Claims and Judgements	3,000.00					3,000.00
Federal Pass-Through Expenditures						
State Grant Pass-Through Expenditures	130,764.03					130,764.03
Intergovernmental Payments	13,381,839.16					13,381,839.16
Public Assistance Programs						
Other Operating Expenditures	31,973,909.56					31,973,909.56
Capital Outlay	97,379.64					97,379.64
<b>Total Expenditures</b>	<u>121,085,263.01</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>121,085,263.01</u>
Excess (Deficit) of Revenues over Expenditures	<u>152,635.54</u>	<u>12,368.95</u>	<u>0.00</u>	<u>0.00</u>	<u>(2,080.53)</u>	<u>162,923.96</u>
<b>Other Financing Sources (Uses)</b>						
Operating Transfers In (Note 12)		2,922.56				2,922.56
Operating Transfers Out (Note 12)	(4,083.43)	(268.56)				(4,351.99)
Insurance Recoveries						
Sale of Capital Assets	2,070.00					2,070.00
Legislative Transfers In (Note 12)						
Legislative Transfers Out (Note 12)						
<b>Total Other Financing Sources (Uses)</b>	<u>(2,013.43)</u>	<u>2,654.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>640.57</u>
Excess (Deficit) of Revenues and other Sources Over Expenditures and Other Uses	150,622.11	15,022.95	0.00	0.00	(2,080.53)	163,564.53
<b>Fund Balance - Beginning</b>	19,790,395.16	183,499.60				19,973,894.76
Restatements						
<b>Fund Balance As Restated</b>	<u>19,790,395.16</u>	<u>183,499.60</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>19,973,894.76</u>
Appropriations Lapsed	(1,321,262.92)					(1,321,262.92)
<b>Fund Balance - Ending</b>	<u>\$ 18,619,754.35</u>	<u>\$ 198,522.55</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ (2,080.53)</u>	<u>\$ 18,816,196.37</u>

-UNAUDITED-

**EXHIBIT J-1**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**All Agency Funds**  
**August 31, 2015**

	<b>Beginning Balances September 1, 2014</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balances August 31, 2015</b>
<b>Unified Carrier Registration-Unappropriated Fund (0645)</b>				
<b>Assets:</b>				
Cash in State Treasury	\$ 0.00	\$ 14,136,482.87	\$ 7,135,520.94	\$ 7,000,961.93
<b>Liabilities:</b>				
Accounts Payable	0.00	7,135,444.94	7,135,444.94	0.00
Funds Held for Others	0.00	14,136,482.87	7,135,520.94	7,000,961.93
Total	\$ 0.00	\$ 21,271,927.81	\$ 14,270,965.88	\$ 7,000,961.93
<b>Proportional Registration Distributive Fund (0021)</b>				
<b>Assets:</b>				
Cash in State Treasury	\$ 5,756,412.03	\$ 99,439,829.39	102,330,240.80	\$ 2,866,000.62
<b>Liabilities:</b>				
Accounts Payable	0.00	29,062,472.13	29,062,472.13	0.00
Funds Held for Others	5,756,412.03	99,439,829.39	102,330,240.80	2,866,000.62
Total	\$ 5,756,412.03	\$ 128,502,301.52	\$ 131,392,712.93	\$ 2,866,000.62
<b>Child Support - Employee Deduction (0807)</b>				
<b>Assets:</b>				
Cash in State Treasury	\$ 12,281.05	\$ 137,662.39	\$ 138,773.24	\$ 11,170.20
<b>Liabilities:</b>				
Accounts Payable	0.00	126,012.19	126,012.19	0.00
Funds Held for Others	12,281.05	137,662.39	138,773.24	11,170.20
Total	\$ 12,281.05	\$ 263,674.58	\$ 264,785.43	\$ 11,170.20
<b>Suspense Fund (0900)</b>				
<b>Assets:</b>				
Cash in State Treasury	\$ 325,648.01	\$ 113,743,587.91	\$ 113,139,720.93	\$ 929,514.99
<b>Liabilities:</b>				
Accounts Payable	0.00	86,173,391.71	85,255,964.22	917,427.49
Funds Held for Others	325,648.01	113,743,587.91	114,057,148.42	12,087.50
Total	\$ 325,648.01	\$ 199,916,979.62	\$ 199,313,112.64	\$ 929,514.99
<b>Direct Deposit Correction Account (0980)</b>				
<b>Assets:</b>				
Cash in State Treasury	\$ 0.00	\$ 54,171.95	54,171.95	\$ 0.00
<b>Liabilities:</b>				
Accounts Payable				
Funds Held for Others	\$ 0.00	\$ 54,171.95	\$ 54,171.95	\$ 0.00
Total	\$ 0.00	\$ 54,171.95	\$ 54,171.95	\$ 0.00

**EXHIBIT J-1**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**All Agency Funds**  
**August 31, 2015**

	<b>Beginning Balances September 1, 2014</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balances August 31, 2015</b>
Unappropriated GR (1000)				
Assets:				
Cash in State Treasury	\$ 0.00	\$ 279,173,203.78	\$ 279,173,203.78	\$ 0.00
Liabilities:				
Accounts Payable	0.00	13,757,249.49	13,757,249.49	0.00
Funds Held for Others	0.00	285,845,701.16	285,845,701.16	0.00
Total	\$ 0.00	\$ 299,602,950.65	\$ 299,602,950.65	\$ 0.00
<b>Total - All Agency Funds</b>				
<b>Assets:</b>				
Cash in State Treasury	6,094,341.09	506,684,938.29	501,971,631.64	10,807,647.74
<b>Total Assets</b>	\$ 6,094,341.09	\$ 506,684,938.29	\$ 501,971,631.64	\$ 10,807,647.74
<b>Liabilities:</b>				
Accounts Payable	0.00	136,254,570.46	135,337,142.97	917,427.49
Funds Held for Others	6,094,341.09	513,357,435.67	509,561,556.51	9,890,220.25
<b>Total Liabilities</b>	\$ 6,094,341.09	\$ 649,612,006.13	\$ 644,898,699.48	\$ 10,807,647.74

(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, 2015**

Federal Grantor/ Pass-Through Grantor/ Program Title	Pass-Through From			Direct Program Amount
	CFDA Number	Agency Number	State Agency or University Amount	
<b>U.S. Department of Transportation</b>				
Direct Programs:				
Performance and Registration Information Systems Management	20.231		\$	\$ 8,194.23
Commercial Vehicle Information Systems and Networks	20.237			278,160.72
<b>Total</b>			<u>0.00</u>	<u>286,354.95</u>
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>			<u>\$ 0.00</u>	<u>\$ 286,354.95</u>

Note 2 - Reconciliation

Per Combined Statement of Revenues, Expenditures and Changes in Fund Balance (Governmental Fund Types (Exh II):	
Federal Revenues (Exh II)	\$ 286,354.95
Federal Pass-Through Revenues (Exh II)	
Total	<u>\$ 286,354.95</u>

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>286,354.95</u>		<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
\$ <u>286,354.95</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, 2015**

**General Funds**

**Pass -Through To:**

BATIC Grants		
Texas Dept of Public Safety (405)	\$	49,879.92
Stolen Vehicles		
Texas Dept of Public Safety (405)		30,689.09
FUGINET		
Texas Dept of Criminal Justice (696)		<u>50,195.02</u>

**Total State Pass- Throughs to Other Agencies** **\$ 130,764.03**



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