



2017 Annual Financial Report

FOR THE FISCAL YEAR ENDING AUGUST 31, 2017

Texas Department of Insurance
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TEXAS DEPARTMENT OF INSURANCE

Administrative Operations (113-1C)

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November 20, 2017

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

Ladies and Gentlemen:

We are pleased to submit the annual financial report of the Texas Department of Insurance for the year ended August 31, 2017, in compliance with Texas Government Code Annotated, §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 Joe Meyer at 512-676-6167.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kent C. Sullivan".

Kent C. Sullivan
Commissioner of Insurance

**TEXAS DEPARTMENT OF INSURANCE
ANNUAL FINANCIAL REPORT
FISCAL YEAR 2017**

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Texas Department of Insurance (454)
Exhibit I - Combined Balance Sheet/Statement of Net Position
Governmental Funds

August 31, 2017

	Governmental Funds (Ex A-1)	Capital Assets Adjustments
ASSETS	_____	_____
Current Assets:		
Cash and Cash Equivalents (Note 3):		
Cash in Bank	\$ 234,962.85	\$ -
Legislative Appropriations	2,195,929.56	-
Cash in State Treasury	280,012,071.69	-
Cash Equivalents	11,910,876.78	-
Receivables from:		-
Federal	663,656.29	-
Interest and Dividends	78.92	-
Accounts Receivable	5,697,564.98	-
Interfund Receivable (Note 12)	42,942.13	-
Consumable Inventories	186,671.28	-
Total Current Assets	300,944,754.48	-
Non-Current Assets:		
Capital Assets (Note 2):		
Depreciable :		
Furniture and Equipment	-	6,410,428.66
Less Accumulated Depreciation	-	(5,664,091.08)
Vehicle, Boats, and Aircraft	-	1,291,206.90
Less Accumulated Depreciation	-	(883,089.15)
Other Capital Assets	-	57,926.32
Less Accumulated Depreciation	-	(31,160.15)
Computer Software-Intangible	-	12,479,968.03
Less Accumulated Amortization	-	(8,293,004.47)
Total Non-Current Assets	-	5,368,185.06
Total Assets	\$ 300,944,754.48	\$ 5,368,185.06

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

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Long-Term Liabilities Adjustments	Statement of Net Assets
\$ -	\$ 234,962.85
-	2,195,929.56
-	280,012,071.69
-	11,910,876.78
-	-
-	663,656.29
-	78.92
-	5,697,564.98
-	42,942.13
-	186,671.28
-	300,944,754.48
-	-
-	6,410,428.66
-	(5,664,091.08)
-	1,291,206.90
-	(883,089.15)
-	57,926.32
-	(31,160.15)
-	12,479,968.03
-	(8,293,004.47)
-	5,368,185.06
-	-
\$ -	\$ 306,312,939.54

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

UNAUDITED

Texas Department of Insurance (454)
Exhibit I - Combined Balance Sheet/Statement of Net Position
Governmental Funds

August 31, 2017

	Governmental Funds (Ex A-1)	Capital Assets Adjustments
	<u> </u>	<u> </u>
LIABILITIES		
Current Liabilities:		
Payables from:		
Accounts	\$ 4,152,552.72	\$ -
Payroll	8,685,272.61	-
Interfund Payable (Note 12)	42,942.13	-
Due to Other Agencies	3,941,167.37	-
Deferred Revenues	99,557.69	-
Claims and Judgments (Note 5)	-	-
Employees' Compensable Leave (Note 5)	-	-
Total Current Liabilities	<u>16,921,492.52</u>	<u>-</u>
Non-Current Liabilities:		
Claims and Judgments (Note 5)	-	-
Employees' Compensable Leave (Note 5)	-	-
Total Non-Current Liabilities	<u>-</u>	<u>-</u>
Total Liabilities	<u>16,921,492.52</u>	<u>-</u>
FUND FINANCIAL STATEMENT		
Fund Balances (Deficits):		
Nonspendable	186,671.28	
Committed	282,308,365.87	-
Unassigned	1,528,224.81	-
Total Fund Balances	<u>284,023,261.96</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 300,944,754.48</u>	
GOVERNMENT-WIDE STATEMENT OF NET POSITION		
Net Position:		
Invested in Capital Assets, Net of Related Debt		5,368,185.06
Unrestricted		-
Total Net Position		<u>\$ 5,368,185.06</u>

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

UNAUDITED

Long-Term Liabilities Adjustments	Statement of Net Assets
\$ -	\$ 4,152,552.72
-	8,685,272.61
-	42,942.13
-	3,941,167.37
-	99,557.69
612,889.02	612,889.02
3,997,284.40	3,997,284.40
4,610,173.42	21,531,665.94
12,530,313.77	12,530,313.77
4,717,343.36	4,717,343.36
17,247,657.13	17,247,657.13
21,857,830.55	38,779,323.07
-	186,671.28
-	282,308,365.87
-	1,528,224.81
-	284,023,261.96
-	5,368,185.06
(21,857,830.55)	(21,857,830.55)
\$ (21,857,830.55)	\$ 306,312,939.54

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

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Texas Department of Insurance (454)
Exhibit II - Combined Statement of Revenues, Expenditures, and
Changes in Fund Balances/Statement of Activities – Governmental Funds

For the Fiscal Year Ended August 31, 2017

	General Funds (Ex A-2)	Special Revenue Funds (0006) U/F(0006)	Governmental Funds Total
REVENUES			
Legislative Appropriations:			
Original Appropriations	\$ 224,406.00	\$ -	\$ 224,406.00
Additional Appropriations	45,185.85	-	45,185.85
Taxes	1,095,294.40	-	1,095,294.40
Federal Revenue (Sch 1A)	3,414,731.86	-	3,414,731.86
Federal Grant Pass-Through Revenue (Sch 1A)	65,597.33	-	65,597.33
Licenses, Fees and Permits	46,074,884.02	-	46,074,884.02
Settlement of Claims	3,091.11	-	3,091.11
Sales of Goods and Services	7,000.00	-	7,000.00
Interest and Other Investment Income	43,378.81	-	43,378.81
Other	15,929,466.58	-	15,929,466.58
Total Revenues	66,903,035.96	-	66,903,035.96
EXPENDITURES			
Salaries and Wages	80,357,638.01	-	80,357,638.01
Payroll Related Costs	34,610,354.89	-	34,610,354.89
Professional Fees and Services	6,640,410.26	-	6,640,410.26
Travel	2,294,139.69	-	2,294,139.69
Materials and Supplies	(2,458,259.64)	-	(2,458,259.64)
Communication and Utilities	1,339,715.45	-	1,339,715.45
Repairs and Maintenance	1,117,016.87	-	1,117,016.87
Rentals and Leases	4,153,886.77	-	4,153,886.77
Printing and Reproduction	1,243,558.84	(1,463,639.16)	(220,080.32)
Claims and Judgments (Notes 5 & 17)	7,388,304.79	-	7,388,304.79
Intergovernmental Payments	2,020,393.68	-	2,020,393.68
Other Expenditures	3,785,669.25	-	3,785,669.25
Capital Outlay	1,026,509.79	1,463,639.16	2,490,148.95
Depreciation and Amortization Expense			
Total Expenditures	143,519,338.65	-	143,519,338.65
Excess (Deficiency) of Revenues			
Over Expenditures	(76,616,302.69)	-	(76,616,302.69)

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Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Activities
\$ -	\$ -	\$ 224,406.00
-	-	45,185.85
-	-	1,095,294.40
-	-	3,414,731.86
-	-	65,597.33
-	-	46,074,884.02
-	-	3,091.11
-	-	7,000.00
-	-	43,378.81
-	-	15,929,466.58
-	-	66,903,035.96
-	(353,693.31)	80,003,944.70
-	-	34,610,354.89
-	-	6,640,410.26
-	-	2,294,139.69
-	-	(2,458,259.64)
-	-	1,339,715.45
-	-	1,117,016.87
-	-	4,153,886.77
-	-	(220,080.32)
-	(640,687.62)	6,747,617.17
-	-	2,020,393.68
-	-	3,785,669.25
(2,490,148.95)	-	-
1,809,527.26	-	1,809,527.26
(680,621.69)	(994,380.93)	141,844,336.03
680,621.69	994,380.93	(74,941,300.07)

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Texas Department of Insurance (454)
Exhibit II - Combined Statement of Revenues, Expenditures, and
Changes in Fund Balances/Statement of Activities – Governmental Funds

For the Fiscal Year Ended August 31, 2017

	General Funds (Ex A-2)	Special Revenue Funds (0006) U/F(0006)	Governmental Funds Total
OTHER FINANCING SOURCES (USES)			
Transfers In	\$ 186,788,815.47	\$ -	\$ 186,788,815.47
Transfers Out	(87,763,685.36)	-	(87,763,685.36)
Sale of Capital Assets	29,902.50	-	29,902.50
Gain (Loss) on Sale of Capital Assets	-	-	-
Appropriations Lapsed	-	-	-
Total Other Financing Sources (Uses)	<u>99,055,032.61</u>	<u>-</u>	<u>99,055,032.61</u>
Net Change in Fund Balances/Net Assets	<u>22,438,729.92</u>	<u>-</u>	<u>22,438,729.92</u>
FUND FINANCIAL STATEMENT-FUND BALANCES			
Fund Balances, September 1, 2016	261,584,547.04	-	261,584,547.04
Restatements (Note 14)	(15.00)	-	(15.00)
Fund Balances, September 1, 2016, as Restated	<u>261,584,532.04</u>	<u>-</u>	<u>261,584,532.04</u>
Fund Balances, August 31, 2017	<u>\$ 284,023,261.96</u>	<u>\$ -</u>	<u>\$ 284,023,261.96</u>

GOVERNMENT-WIDE STATEMENT OF NET POSITION

Net Position/Change in Net Position	<u>\$ 284,023,261.96</u>
Net Position, September 1, 2016	
Restatements (Note 14)	
Net Position, September 1, 2016, as Restated	
Net Position, August 31, 2017	<u>\$ 284,023,261.96</u>

UNAUDITED

Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Activities
\$ -	\$ -	\$ 186,788,815.47
-	-	(87,763,685.36)
(29,902.50)	-	-
29,243.46	-	29,243.46
-	-	-
(659.04)	-	99,054,373.57
679,962.65	994,380.93	24,113,073.50
		261,584,547.04
		(15.00)
		261,584,532.04
		\$ 285,697,605.54
\$ 679,962.65	\$ 994,380.93	\$ 285,697,605.54
4,688,222.41	(22,852,211.48)	(18,163,989.07)
-	-	-
4,688,222.41	(22,852,211.48)	(18,163,989.07)
\$ 5,368,185.06	\$ (21,857,830.55)	\$ 267,533,616.47

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Texas Department of Insurance (454)
Exhibit III - Combined Statement of Net Position
Proprietary Funds

August 31, 2017

	Total Proprietary Component Units (Exhibit L-1)
ASSETS	
Current Assets:	
Cash and Cash Equivalents (Note 3):	
Cash in Bank	\$ 43,796,800.00
Cash Equivalents	1,047,513,080.00
Short Term Investments (Note 3)	8,500,000.00
Receivables from:	
Interest and Dividends	78,669.00
Accounts Receivable	13,407,545.00
Prepaid Items	2,705,064.00
Other Current Assets	2,572,215.00
Total Current Assets	1,118,573,373.00
Non-Current Assets:	
Capital Assets (Note 2):	
Furniture and Equipment-Depreciable	18,783,162.00
Less Accumulated Depreciation	(12,967,729.00)
Non-Depreciable Assets (CIP)	99,121.00
Other Assets- Depreciable	1,937,588.00
Less Accumulated Depreciation- Other	(874,256.00)
Other Non-Current Assets	43,266.00
Total Non-Current Assets	7,021,152.00
Total Assets	1,125,594,525.00
LIABILITIES	
Current Liabilities:	
Payables from:	
Accounts	257,555,143.00
Payroll	17,868.00
Other Liabilities	109,590,591.00
Employees' Compensable Leave	45,636.00
Deferred Revenues	277,237,300.00
Total Current Liabilities	644,446,538.00
Non-Current Liabilities:	
Other Liabilities	414,600,000.00
Total Liabilities	1,059,046,538.00
NET POSITION	
Invested in Capital Assets, Net of Related Debt	6,977,886.00
Restricted	-
Unrestricted	59,570,101.00
Total Net Position	\$ 66,547,987.00

Note A - These Component Units have a fiscal year end of December 31, 2016. Financial information is as of that date.

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Texas Department of Insurance (454)
Exhibit IV - Combined Statement of Revenues, Expenses, and
Changes in Fund Net Position
Proprietary Funds

For the Fiscal Year Ended August 31, 2017

	Total Proprietary Component Units (Exhibit L-2)
OPERATING REVENUES:	
Sales of Goods and Services:	
Other Sales of Goods and Services	\$ -
Premium Revenue	461,868,233.00
Interest and Investment Income	886.00
Other Operating Revenue	-
Total Operating Revenues	461,869,119.00
OPERATING EXPENSES:	
Salaries and Wages	22,478,779.00
Payroll Related Costs	7,133,477.00
Professional Fees and Services	417,431.00
Travel	93,368.00
Materials and Supplies	36,392.00
Communication and Utilities	43,668.00
Repairs and Maintenance	48,021.00
Rentals and Leases	2,128,541.00
Printing and Reproduction	2,301.00
Depreciation and Amortization	2,979,034.00
Other Operating Expenses	219,809,574.00
Total Operating Expenses	255,170,586.00
Operating Income (Loss)	206,698,533.00
NONOPERATING REVENUE (EXPENSES):	
Interest and Investment Income	3,378,962.00
Claims and Judgments (Note 17)	-
Interest Expenses and Fiscal Charges	(37,596,000.00)
Other Nonoperating Revenues (Expenses)	(147,664,820.00)
Total Other Nonoperating Revenues	(181,881,858.00)
Income (Loss) Before Capital Contributions, Endowments and Transfers	24,816,675.00
CAPITAL CONTRIBUTIONS, ENDOWMENTS AND TRANSFERS	
Transfer In	-
Total Capital Contributions, Endowments and Transfers	-
Change in Net Position	24,816,675.00
Net Position, September 1, 2016	41,731,312.00
Restatements (Note 14)	-
Net Position, September 1, 2016, as Restated	41,731,312.00
Net Position, August 31, 2017	\$ 66,547,987.00

Note A - These Component Units have a fiscal year end of December 31, 2016. Financial information is as of that date.

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Texas Department of Insurance (454)
Exhibit VI - Combined Statement of Fiduciary Net Position
Fiduciary Funds

August 31, 2017

	Private- Purpose Trust Funds (Exhibit I-1)	Agency Funds (Exhibit J-1)	Totals
ASSETS			
Current Assets:			
Cash and Cash Equivalents (Note 3):			
Cash in Bank	\$ 15,105,094.55	\$ -	\$ 15,105,094.55
Cash in State Treasury	1,521,394.17	8,820,479.97	10,341,874.14
Cash Equivalents	959,498,819.49	-	959,498,819.49
Interest and Dividends Receivable	26,244.19	-	26,244.19
Accounts Receivable	-	575,404.95	575,404.95
Other Assets	-	1,439,963,228.31	1,439,963,228.31
Total Current Assets:	<u>976,151,552.40</u>	<u>1,449,359,113.23</u>	<u>2,425,510,665.63</u>
Non-Current Assets:			
Investments (Note 3)	<u>60,594,163.00</u>	<u>-</u>	<u>60,594,163.00</u>
Total Non-Current Assets:	<u>60,594,163.00</u>	<u>-</u>	<u>60,594,163.00</u>
Total Assets	<u>1,036,745,715.40</u>	<u>1,449,359,113.23</u>	<u>2,486,104,828.63</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	741,895,651.35	-	741,895,651.35
Due to Other Agencies	-	575,404.95	575,404.95
Funds Held for Others	-	1,448,783,708.28	1,448,783,708.28
Other Liabilities	<u>131,268,570.00</u>	<u>-</u>	<u>131,268,570.00</u>
Total Current Liabilities:	<u>873,164,221.35</u>	<u>1,449,359,113.23</u>	<u>2,322,523,334.58</u>
Non-Current Liabilities:			
Other Non-Current Liabilities	<u>158,849,934.71</u>	<u>-</u>	<u>158,849,934.71</u>
Total Non-Current Liabilities:	<u>158,849,934.71</u>	<u>-</u>	<u>158,849,934.71</u>
Total Liabilities	<u>1,032,014,156.06</u>	<u>1,449,359,113.23</u>	<u>2,481,373,269.29</u>
NET POSITION			
Held in trust for:			
Individuals, Organizations, and Other Governments	<u>4,731,559.34</u>	<u>-</u>	<u>4,731,559.34</u>
Total Net Position	<u>\$ 4,731,559.34</u>	<u>\$ -</u>	<u>\$ 4,731,559.34</u>

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Texas Department of Insurance (454)
Exhibit VII - Combined Statement of Changes in
Fiduciary Net Position
Fiduciary Funds

For the Fiscal Year Ended August 31, 2017

	Private- Purpose Trust (Exhibit I-2)
ADDITIONS	
Investment Income:	
From Investing Activities:	
Interest and Investment Income	\$ 5,048,078.42
Total Investing Income	<u>5,048,078.42</u>
Less Investing Activities Expense	<u>-</u>
Net Income from Investing Activities	5,048,078.42
Total Net Investment Income	<u>5,048,078.42</u>
Other Additions:	
Other Revenue	159,609,942.79
Transfers In	-
Total Other Additions	<u>159,609,942.79</u>
Total Additions	<u>164,658,021.21</u>
DEDUCTIONS	
Disaster Relief Payments	741,893,051.35
Materials and Supplies	646.98
Communications and Utilities	504.94
Claims and Judgments (Note 17)	9,972,303.09
Interest Expense	1.62
Other Expense	5,123,661.35
Transfers Out	<u>7,200,828.77</u>
Total Deductions	<u>764,190,998.10</u>
NET INCREASE (DECREASE) IN NET POSITION	<u>(599,532,976.89)</u>
NET POSITION	
Net Position, September 1, 2016	604,264,536.23
Restatements	-
Net Position, September 1, 2016, As Restated	<u>604,264,536.23</u>
Net Position, August 31, 2017	<u>\$ 4,731,559.34</u>

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TEXAS DEPARTMENT OF INSURANCE (454)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ENTITY

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

TDI statutory authority is Chapter 31.002 of the Texas Insurance Code. Chapter 31.002 states "the department shall (1) regulate the business of insurance in this State; (2) administer the workers' compensation system of this State as provided by the Texas Workers' Compensation Act, Labor Code Title 5, and (3) ensure that this code and other laws regarding insurance and insurance companies are executed." The history of the Agency dates back to the Texas Constitution of 1876. Since then, the composition of the Agency has changed several times. In 1993, House Bill No. 1461, 73rd Legislature, Regular Session, amended the Insurance Code to establish the Commissioner of Insurance as the primary policy-setting authority and to abolish the three-member State Board of Insurance no later than September 1, 1994. The Board transferred all remaining authority to the Commissioner effective December 16, 1993. Additionally, effective September 1, 2005, House Bill 7, 79th Legislature, Regular Session, created the Division of Workers' Compensation within TDI. This legislation transferred many of the duties and functions of the abolished Texas Workers' Compensation Commission to the Division of Workers' Compensation to administer and operate the workers' compensation system of the State.

TDI includes within this report all components as determined by an analysis of its relationship to TDI as listed below:

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*; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

Blended Component Units

No component units have been identified which should be blended into an appropriate fund.

Discretely Presented Component Units

These component units are legally separate from the State, but are financially accountable to the State, or have a relationship with the State such that exclusion would cause the financial statements to be misleading or incomplete. The component unit columns of the financial statements include the financial data of these four entities. Information on these component units can be found in Note 19.

- Surplus Lines Stamping Office of Texas
- Texas Health Reinsurance System
- Texas Windstorm Insurance Association
- Fair Access to Insurance Requirements Plan Association

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TEXAS DEPARTMENT OF INSURANCE (454)

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 AND GOVERNMENT-WIDE ADJUSTMENT FUND TYPES

General Fund

The General Fund is the principal operating fund used to account for most of the State's general activities. It accounts for all financial resources except those accounted for in other funds.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than for private-purpose trusts or for major capital projects) that are legally restricted to use for specified purposes.

Capital Assets Adjustment 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 Adjustment Fund Type

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

Other Adjustments Fund Type

Other Adjustments Fund Type is used to convert all other governmental fund types' activity from modified accrual to full accrual.

PROPRIETARY FUND TYPES

Enterprise Funds

Enterprise Funds are used to account for any activity for which a fee is charged to external users for goods or services. Activities must be reported as enterprise funds if any one of the following criteria is met:

- The activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity.
- Laws or regulations require that the activity's costs of providing services including capital costs (such as depreciation or debt service), be recovered with fees and charges.
- The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs.

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. Insurance company receivership assets are held by the Commissioner of Insurance exclusively in his capacity as receiver. These assets belong to insurance companies and other entities in receivership and are not the property of the State.

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.

Private-Purpose Trust Funds

Private-Purpose Trust Funds are used to account for all other trust arrangements whose principal and interest benefit individuals, private organizations, or other governments.

COMPONENT UNITS

The fund types of the individual discrete component units are available from the component units' separately issued financial statements. Additional information about component units can be found in Note 19.

Proprietary Component Units are used to account for discretely presented component units which follow proprietary fund measurement focus and accounting principles.

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BASIS OF ACCOUNTING

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

Governmental fund types that build the fund financial statements are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized in the period in which they become both measurable and available to finance operations of the fiscal year or liquidate liabilities existing at fiscal year end.

The State of Texas considers receivables collected within sixty days after year-end to be available and recognizes them as revenues of the current year for Fund Financial Statements prepared on the modified accrual basis. 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 basis of accounting. The following activities are recognized in these fund types:

- Capital assets
- Accumulated depreciation
- Unpaid employee compensable leave
- Full accrual revenues and expenses

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

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.

Restricted Assets

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

Inventories and Prepaid Items

Inventories consist of consumable inventories. 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 consumed.

Capital Assets

Assets with an initial, individual cost of more than \$5,000, and an estimated useful life in excess of one year should be capitalized. 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. Assets are depreciated over the estimated useful life of the asset, using the straight-line method.

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

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Other Receivables – Current and Noncurrent

Other receivables include year-end revenue accruals. This account can appear in governmental and proprietary fund types. The disaggregation of other receivables, for proprietary fund types, as reported in the financial statements is disclosed in Note 24.

Other Assets – Current and Noncurrent

Other assets reflects the portion of other assets that are not classified in any other categories of assets. This account appears in our fiduciary and proprietary fund types. Texas Worker's Compensation Self Insurance Fund (fiduciary fund 0893) reported negative \$57,362,220.00 in other current assets, Surplus Lines Stamping Office of Texas (proprietary fund 3159) reported \$43,266.00 in other non-current assets, Texas Windstorm Insurance Association (proprietary fund 4154) reported \$2,287,492.00 in other current assets, and the Fair Access to Insurance Requirements Plan Association (proprietary fund 4163) reported \$284,723.00 in other current assets respectively for FY 2017.

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 – Current and Noncurrent

Payables are the accrual at year-end of expenditure transactions. Payables may be included in either the governmental or proprietary fund types. The disaggregation of other payables, for proprietary fund types, as reported in the financial statements is disclosed in Note 24.

Claims and Judgments

Claims and Judgments which are settled yet unpaid at year-end but will be paid with future fund resources.

Employees' Compensable Leave Balances

Employees' Compensable Leave Balances represent the liability that become "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.

FUND BALANCE/NET POSITION

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

Fund Balance Components

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

- 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.
- Committed fund balance can be used only for specific purposes pursuant to constraints imposed by a formal action of the Texas Legislature, the State's highest level of decision making authority.
- Assigned fund balance includes amounts constrained by the State's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (1) the Texas Legislature or (2) a body (for example, a budget or finance committee) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.
- Unassigned fund balance is the residual classification for the general fund. This classification represents fund balances that were not assigned to other funds and were not restricted, committed, or assigned to specific purposes within the general fund.

Invested in Capital Assets, Net of Related Debt

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

Restricted Net Position

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

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Unrestricted Net Position

Unrestricted net position consists of net resources that do not meet the definition of the two preceding categories.

INTERFUND ACTIVITIES AND BALANCES

The agency has the following types of transactions among funds:

- (1) Transfers: Legally required transfers that are reported when incurred as "Transfers In" by the recipient fund and as "Transfers Out" by the disbursing fund.
- (2) 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 in the reimbursed fund. Reimbursements are displayed as interfund receivables and payables.

The composition of the Agency's interfund activities and balances are presented in Note 12.

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NOTE 2: CAPITAL ASSETS

Revenue received from the sale of surplus property is recorded in unappropriated General Revenue.

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

PRIMARY GOVERNMENT								
Asset Type	Balance 9/1/16	Adjustments	Completed CIP	Inc- Int'agy Trans	Dec-Int'agy Trans	Additions	Deletions	Balance 8/31/17
Governmental Activities:								
Depreciable Assets								
Furniture and Equipment	6,165,896.22	0.00	0.00	0.00	0.00	276,499.67	(31,967.23)	6,410,428.66
Vehicles, Boats, and Aircraft	1,330,286.64	0.00	0.00	0.00	0.00	108,629.28	(147,709.02)	1,291,206.90
Other Capital Assets	57,926.32	0.00	0.00	0.00	0.00	0.00	0.00	57,926.32
Total Depreciable Assets at historical costs	7,554,109.18	0.00	0.00	0.00	0.00	385,128.95	(179,676.25)	7,759,561.88
Accumulated Depreciation								
Furniture and Equipment	(5,536,327.55)	0.00	0.00	0.00	0.00	(159,730.76)	31,967.23	(5,664,091.08)
Vehicles, Boats, and Aircraft	(894,567.16)	0.00	0.00	0.00	0.00	(135,571.97)	147,049.98	(883,089.15)
Other Capital Assets	(23,813.63)	0.00	0.00	0.00	0.00	(7,346.52)	0.00	(31,160.15)
Total Accumulated Depreciation	(6,454,708.34)	0.00	0.00	0.00	0.00	(302,649.25)	179,017.21	(6,578,340.38)
Amortizable Assets-Intangible								
BC Computer Software	10,374,948.03	0.00	0.00	0.00	0.00	2,105,020.00	0.00	12,479,968.03
Total Amortizable Assets-Intangible	10,374,948.03	0.00	0.00	0.00	0.00	2,105,020.00	0.00	12,479,968.03
Accumulated Amortization								
BC A/A Computer Software	(6,786,126.46)	0.00	0.00	0.00	0.00	(1,506,878.01)	0.00	(8,293,004.47)
Total Accumulated Amortization	(6,786,126.46)	0.00	0.00	0.00	0.00	(1,506,878.01)	0.00	(8,293,004.47)
Total Governmental Activities , Net	\$ 4,688,222.41	0.00	0.00	0.00	0.00	680,621.69	(659.04)	\$ 5,368,185.06

DISCRETELY PRESENTED COMPONENT UNITS

Asset Type	Balance 9/1/16	Adjustments	Completed CIP	Inc- Int'agy Trans	Dec-Int'agy Trans	Additions	Deletions	Balance 8/31/17
Component Unit Activities:								
Non-Depreciable Assets								
Construction in Progress	0.00	0.00	0.00	0.00	0.00	99,121.00	0.00	99,121.00
Total Non-Depreciable Assets	0.00	0.00	0.00	0.00	0.00	99,121.00	0.00	99,121.00
Depreciable Assets								
Furniture and Equipment	18,495,263.00	0.00	0.00	0.00	0.00	362,996.00	(75,097.00)	18,783,162.00
Vehicles, Boats, and Aircraft	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Capital Assets	1,937,588.00	0.00	0.00	0.00	0.00	0.00	0.00	1,937,588.00
Total Depreciable Assets at historical costs	20,432,851.00	0.00	0.00	0.00	0.00	362,996.00	(75,097.00)	20,720,750.00
Accumulated Depreciation								
Furniture and Equipment	(10,499,351.00)	257,544.00	0.00	0.00	0.00	(2,800,254.00)	74,332.00	(12,967,729.00)
Other Capital Assets	(437,926.00)	(257,543.00)	0.00	0.00	0.00	(178,787.00)	0.00	(874,256.00)
Total Accumulated Depreciation	(10,937,277.00)	1.00	0.00	0.00	0.00	(2,979,041.00)	74,332.00	(13,841,985.00)
Total Component Unit Activities , Net	\$ 9,495,574.00	1.00	0.00	0.00	0.00	(2,516,924.00)	(765.00)	\$ 6,977,866.00

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NOTE 3: DEPOSITS, INVESTMENTS AND REPURCHASE AGREEMENTS

The Texas Department of Insurance reports investments held in the Texas Treasury Safekeeping Trust Company. The Texas Treasury Safekeeping Trust Company is authorized by statute to make investments following the “prudent person rule.” There were no significant violations of legal provisions during the period.

DEPOSITS OF CASH IN BANK

As of August 31, 2017, the carrying amount of deposits were as presented below:

Governmental and Business-Type Activities	
Cash In Bank – Carrying Value	\$ 234,962.85
Cash In Bank – Texas Treasury Safekeeping Trust Co.	0.00
	<u>\$ 234,962.85</u>
Cash In Bank Per AFR	<u>\$ 234,962.85</u>
Governmental Funds Current Assets Cash in Bank	\$234,962.85
Cash in Bank per AFR	<u>\$ 234,962.85</u>
Fiduciary Funds	
Cash In Bank – Carrying Value	\$ 15,105,094.55
Cash In Bank – Texas Treasury Safekeeping Trust Co.	0.00
	<u>\$ 15,105,094.55</u>
Cash In Bank Per AFR	<u>\$ 15,105,094.55</u>
Fiduciary Funds Current Assets Cash in Bank	\$ 15,105,094.55
Cash in Bank per AFR	<u>\$ 15,105,094.55</u>
Discrete Component Units	
Cash In Bank – Carrying Value	\$ 43,796,800.00
Cash In Bank Per AFR	<u>\$ 43,796,800.00</u>
Discrete Component Unit Current Assets Cash in Bank	\$ 43,796,800.00
Cash in Bank per AFR	<u>\$ 43,796,800.00</u>

These amounts consist of all cash in local banks. These amounts are included on the Combined Statement of Net Assets as part of the “Cash and Cash Equivalents” accounts.

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

Governmental and Business-Type Activities	\$233,412.47	Fiduciary Funds	\$15,105,094.55	Discrete Component Units	\$ 43,796,800.00
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Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Agency and the discrete component units will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Agency does not have a policy for custodial credit risk but maintains cash balances in a major financial institution and monitors account balances for amounts over \$250,000 of the Federal Deposit Insurance Corporation (FDIC) limit. The Surplus Lines Stamping Office’s cash deposits are held in a major financial institution and are insured up to \$250,000. Texas Windstorm Insurance Association deposits exceed the insured limit, but the deposits are held in the Transaction Account Guarantee Program that guarantees 100% of their cash. Fair Access to Insurance Requirements Plan Association deposits exceed the insured limit, but the deposits are held in the Transaction Account Guarantee Program that guarantees 100% of their cash. The bank balances that were exposed to custodial credit risks are as follows:

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Fund Type	GAAP Fund	Uninsured and uncollateralized	Uninsured and collateralized with securities held by the pledging financial institution	Uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the State's name
15	3159	\$446,358.00		
15	4154	\$493,888,341.00		
15	4163	\$60,581,310.00		

INVESTMENTS

As of August 31, 2017, the carrying value and fair value of investments were as presented below:

<u>Governmental and Business-Type Activities</u>		<u>Fair Value</u>
Repurchase Agreements-Texas Treasury Safekeeping Trust Co❶		\$ 11,910,876.78
Total		<u>\$ 11,910,876.78</u>
<u>Fiduciary Funds</u>		<u>Fair Value</u>
U.S. Government:		
U.S. Treasury Securities		\$ 9,693,727.04
Equity		2,227,560.00
Corporate Obligations		58,366,603.00
Repurchase Agreements-Texas Treasury Safekeeping Trust Co ❶		<u>949,805,092.45</u>
Total		<u>\$ 1,020,092,982.49</u>
<u>Discrete Component Units</u>		<u>Fair Value</u>
U.S. Government:		
Repurchase Agreements-Texas Treasury Safekeeping Trust Co❶		\$ 535,801,946.00
Miscellaneous		<u>520,211,134.00</u>
Total		<u>\$ 1,056,013,080.00</u>

❶ – Repurchase Agreements with the Texas Treasury Safekeeping Trust Co. are recorded as Cash Equivalents – Miscellaneous in the Financial Statements and as Repurchase Agreements in the Notes, based on Reporting Requirements for Annual Financial Reports of State Agencies and Universities.

Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the Texas Department of Insurance had investments in U.S. Treasury Securities Money Market Mutual Fund which are backed by the U.S. government. The Surplus Lines Stamping Office investment policy allows negotiable certificates of deposits. Texas Windstorm Insurance Association held investments backed by the U.S. Treasury Money Market Funds program and other investments backed by the U.S. government. Fair Access to Insurance Requirements Plan Association held investments backed by the U.S Treasury Money Market Funds program and other investments backed by the U.S. government.

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As of August 31, 2017 credit quality distribution for securities with credit risk exposure was as follows:

Fund Type	GAAP Fund	Investment Type	AAA	AA	A	BBB	BB
01	1006	Repurchase Agreement-Texas Treasury Safekeeping Trust Co	\$2,859,684.10				
01	9999	Repurchase Agreement-Texas Treasury Safekeeping Trust Co	\$9,051,192.68				
15	3159	Certificates of Deposit					
15	4154	U.S. Gov't Money Market Mutual Funds	\$463,579,779.00				
15	4154	Repurchase Agreement-Texas Treasury Safekeeping Trust Co	\$535,801,946.00				
15	4163	U.S. Gov't Money Market Mutual Funds	\$48,131,355.00				
20	2999	Repurchase Agreement-Texas Treasury Safekeeping Trust Co	\$207,299,744.82				
20	2999	U.S. Treasury Securities Money Market Mutual Fund					
20	2999	Corporate Obligations	\$24,007,205.00	\$68,067.00	\$2,896,262.00	\$12,683,881.00	\$41,733.00
20	2999	Equity			\$158,492.00		
20	3204	Repurchase Agreement-Texas Treasury Safekeeping Trust Co	\$741,872,443.66				
20	9993	Repurchase Agreement-Texas Treasury Safekeeping Trust Co	\$632,903.97				
TOTAL			\$2,033,236,254.23	\$68,067.00	\$3,054,754.00	\$12,683,881.00	\$41,733.00

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B	CCC	C	NR	TOTAL
				\$2,859,684.10
				\$9,051,192.68
			\$8,500,000.00	\$8,500,000.00
				\$463,579,779.00
				\$535,801,946.00
				\$48,131,355.00
				\$207,299,744.82
			\$9,693,727.04	\$9,693,727.04
\$624,000.00	\$180,009.00	\$35,019.00	\$17,830,427.00	\$58,366,603.00
			\$2,069,068.00	\$2,227,560.00
				\$741,872,443.66
				\$632,903.97
\$624,000.00	\$180,009.00	\$35,019.00	\$38,093,222.04	\$2,088,016,939.27

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NOTE 4: SHORT-TERM DEBT

N/A

NOTE 5: LONG-TERM LIABILITIES

Changes in Long-Term Liabilities

For the year ended August 31, 2017, the following changes occurred in liabilities:

Governmental Activities	PRIMARY GOVERNMENT				Amounts Due Within One Year	Amounts Due Thereafter
	Balance 9/1/16	Additions	Reductions	Balance 8/31/17		
Claims and Judgments	\$ 13,783,890.41	616,106.48	1,256,794.10	13,143,202.79	612,889.02	\$ 12,530,313.77
Compensable Leave	9,068,321.07	5,474,086.56	5,827,779.87	8,714,627.76	3,997,284.40	4,717,343.36
Total Governmental Activities	<u>\$ 22,852,211.48</u>	<u>6,090,193.04</u>	<u>7,084,573.97</u>	<u>21,857,830.55</u>	<u>4,610,173.42</u>	<u>\$ 17,247,657.13</u>

Proprietary Activities	DISCRETELY PRESENTED COMPONENT UNITS				Amounts Due Within One Year	Amounts Due Thereafter
	Balance 9/1/16	Additions	Reductions	Balance 8/31/17		
Employees Compensable Leave	\$ 45,122.00	514.00	0.00	45,636.00	45,636.00	\$ 0.00
Total Proprietary Activities	<u>\$ 45,122.00</u>	<u>514.00</u>	<u>0.00</u>	<u>45,636.00</u>	<u>45,636.00</u>	<u>\$ 0.00</u>

Claims and Judgments

Qualified injured workers receive Lifetime Income Benefits that are paid until their death for total and permanent loss of a body part as provided in Section 408.161 of the Texas Labor Code. The amount of lifetime income benefits is equal to 75 percent of the employee's average weekly wage and benefits being paid and shall be increased at a rate of three percent a year subject to Section 408.061 of the Texas Labor Code.

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. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

NOTE 6: BONDED INDEBTEDNESS

N/A

NOTE 7: DERIVATIVE INSTRUMENTS

N/A

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NOTE 8: LEASES

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

<u>Fund Type</u>		<u>Amount</u>
01 (D23 Fund 0008)	\$	12,972.33
01 (Appropriated Fund 0036)	\$	3,410,034.38
15 (Component Units)	\$	999,804.00

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

PRIMARY GOVERNMENT

Year Ended August 31, 2017

2018	\$	3,432,430.20
2019		3,406,648.92
2020		3,265,520.34
2021		3,171,914.42
2022		3,009,824.72
2023-2027		7,170,837.94
2028-2032		0.00
2033-2037		0.00
2038-2042		0.00
2043-2047		0.00
Total Minimum Future Lease Rental Payments	\$	<u>23,457,176.54</u>

DISCRETELY PRESENTED COMPONENT UNITS

Year Ended August 31, 2017

2018	\$	999,811.00
2019		1,025,136.00
2020		1,037,172.00
2021		1,062,027.00
2022		1,088,352.00
2023 and Thereafter		0.00
Total Minimum Future Lease Rental Payments	\$	<u>5,211,498.00</u>

NOTE 9: DEFINED BENEFIT PENSION PLANS AND DEFINED CONTRIBUTION PLAN

The Employees' Retirement System administers and reports the activity for the plan.

NOTE 10: DEFERRED COMPENSATION

The Employees' Retirement System administers and reports the activity for the plan.

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

N/A

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NOTE 12: INTERFUND ACTIVITY AND TRANSACTIONS

The Texas Department of Insurance (TDI) experienced routine transfers within the Agency, which were consistent with the activities of the fund making the transfer.

Current interfund payable and receivable balances at August 31, 2017 are as follows:

	Current Interfund Receivable	Current Interfund Payable
SPECIAL REVENUE		
Appd Fund 0036		
(D23 Fund 0012)	\$ 782.52	\$ 782.52
(D23 Fund 0024)	41,144.90	41,144.90
(D23 Fund 0036)	1,014.71	1,014.71
Total Interfund Receivable/Payable	\$ 42,942.13	\$ 42,942.13

NOTE 13: CONTINUANCE SUBJECT TO REVIEW

Under HB1951, 82nd Legislature, Regular Session, Sec. 1.002, Subsection (a), Section 31.004 of the Insurance Code was amended to read as follows: "The Texas Department of Insurance is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the department is abolished September 1, 2023."

Under HB1675, 83rd Legislature, Regular Session, Sec. 4.02, Subsection (b), Section 31.004 of the Insurance Code was amended to read as follows: "The duties of the Division of Workers' Compensation of the Texas Department of Insurance under Texas Workers' Compensation Act, Labor Code Title 5, expire September 1, 2021 or another date designed by the Legislature."

NOTE 14: ADJUSTMENTS TO FUND BALANCES AND NET POSITION

Governmental Fund – General Funds

The Texas Department of Insurance (TDI) Fund 0014, Appropriated Fund 0036, overstated unearned revenues in a previous fiscal year. The restatement is as follows:

	General Fund	Total Major Funds
Fund Balances, September 1, 2016	\$ 261,584,547.04	\$ 261,584,547.04
Restatement	(15.00)	(15.00)
Fund Balances, September 1, 2016, as Restated	\$ 261,584,532.04	\$ 261,584,532.04

NOTE 15: CONTINGENCIES AND COMMITMENTS

N/A

NOTE 16: SUBSEQUENT EVENTS

At the request of the Texas Windstorm Insurance Association, TDI instructed the Texas Treasury Safekeeping Trust Company to wire the entire Catastrophe Reserve Trust Fund to TWIA to pay the association's losses resulting from Hurricane Harvey. The TTSTC was directed to make two disbursements (one effectuated on September 26, 2017, in the amount of \$370,300,000.00 and the balance of \$372,512,952.56 effectuated on October 23, 2017). These disbursements were authorized under Tex. Ins. Code §§ 2210.452, 2210.602(1-b), and 2210.715, as well as 28 Tex. Admin. Code §§ 5.4111(c) and 5.4114.

On May 23, 2017, the Governor signed S.B. 1171-ENR-85R, which amends Insurance Code §1501.302, effective immediately, and among other things, calls for the approval of a Plan of Suspension of the Texas Health Reinsurance System (THRS). The board of THRS had recommended suspension of operations due to lack of participation. Following notice and hearing, the Department of Insurance approved on September 06, 2017 a Plan of Suspension and Amended the Plan of Operation for THRS authorizing its wind down and suspension of operations.

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NOTE 17: RISK MANAGEMENT

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

The Agency assumes substantially all risks associated with tort and liability claims due to the performance of its duties. The only commercial insurance carried by the Agency is a Public Officers Liability Insurance policy, which is issued in accordance with terms and conditions from the State Office of Risk Management. TDI is not involved in any risk pools with other government entities.

The Agency's liabilities are reported when it is both probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Liabilities are reevaluated periodically to consider current settlements, frequency of claims, past experience and economic factors. There were no significant reductions in insurance coverage in the past year and losses did not exceed funding arrangements during the past three years.

PRIMARY GOVERNMENT

Changes in the balances of the governmental claims liabilities during the fiscal year 2017 were as follows:

Fund	Beginning Balance	Increases	Decreases	Ending Balance
9997	\$ 13,783,890.41	\$ 616,106.48	\$ 1,256,794.10	\$ 13,143,202.79
0036	\$ 0.00	\$ 3,481.80	\$ 3,481.80	\$ 0.00
5101	\$ 0.00	\$ 7,384,822.99	\$ 7,384,822.99	\$ 0.00
Total	\$ 13,783,890.41	\$ 8,004,411.27	\$ 8,645,098.89	\$ 13,143,202.79

FIDUCIARY FUNDS

Balances of the fiduciary funds claims liabilities during the fiscal year 2016 and 2017 were as follows:

FY	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
2016	\$ 0.00	\$ 735.77	\$ 735.77	\$ 0.00
2017	\$ 0.00	\$ 9,972,303.09	\$ 9,972,303.09	\$ 0.00

NOTE 18: MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

N/A

NOTE 19: THE FINANCIAL REPORTING ENTITY

As required by Generally Accepted Accounting Principles, these financial statements present the Texas Department of Insurance (TDI) (the primary government) and its component units. The component units discussed below are included in TDI's reporting entity because of the significance of their operational or financial relationships with the state.

**Individual Component Unit Disclosures
Discretely Presented Component Units:**

TDI is financially accountable for the following legally separate entities; however, they do not provide services entirely or almost entirely to TDI. They are reported in separate exhibits to emphasize that they are legally separate from TDI. The fiscal year-end for these component units is December 31. The component units are responsible for reporting their financial information to TDI for presentation in the financial statements. TDI does not verify the accuracy or completeness of the information and provides no assurances otherwise.

1. The *Surplus Lines Stamping Office of Texas* (Stamping Office) was created pursuant to Texas Insurance Code Chapter 981, Subchapter D, to assist TDI in the regulation of surplus lines insurance. The commissioner of insurance appoints all nine members of the board of directors. The Stamping Office performs its functions under a plan of operation approved by commissioner order. The Stamping Office assesses each surplus lines insurance agent a stamping fee for the administrative funding of the Stamping Office. The primary government can impose its will on the Stamping Office as the assessment rate that funds its operations is subject to commissioner approval.

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TEXAS DEPARTMENT OF INSURANCE (454)

2. The *Texas Health Reinsurance System* (System) was created pursuant to Texas Insurance Code Chapter 1501, Subchapter G, to reinsure risks covered under the health benefit plans of small employers' insurance carriers. The commissioner of insurance appoints, supervises and controls the nine-member board. The primary government can impose its will on the System as the base reinsurance premium rates and the assessment rates against reinsured health benefit plan issuers are subject to commissioner approval.
3. The *Texas Windstorm Insurance Association (TWIA)* was created pursuant to Texas Insurance Code Chapter 2210 and is the state's insurer of last resort for wind and hail coverage in the fourteen coastal counties and parts of Harris County. The commissioner of insurance appoints all nine members of the board of directors. The primary government can impose its will on TWIA as the commissioner of insurance has discretion to modify or approve fee changes and approve maximum liability limits for windstorm and hail insurance policies issued by the Association.
4. The *Fair Access to Insurance Requirements Plan Association* (Association) was created pursuant to Texas Insurance Code Chapter 2211 and was created to deliver residential property insurance to residents of Texas in areas that are not adequately served by the voluntary insurance market. The commissioner of insurance appoints all eleven members of the governing committee. The primary government can impose its will on the Association as the commissioner of insurance can remove a governing committee member without cause and can impact revenues by approving or disapproving rates charged.

Complete financial statements of the individual component units can be obtained from their respective administrative offices.

Administrative Offices

Surplus Lines Stamping Office of Texas
805 Las Cimas Parkway, Suite 150
Austin, TX 78746-6526

Texas Health Reinsurance System
c/o Pool Administrators Inc.
628 Hebron Ave. Suite 100
Glastonbury, CT 06033

Texas Windstorm Insurance Association
5700 S. Mopac, Bldg A
Austin, TX 78749-1461

Fair Access to Insurance Requirements Plan
Association
5700 S. Mopac, Bldg A
Austin, TX 78749-1461

Related Organizations

1. The *Texas Life and Health Insurance Guaranty Association (TLHIGA)* was created pursuant to Texas Insurance Code Chapter 463, for the protection of persons against failure in the performance of contractual obligations under life, accident and health insurance policies and annuity contracts because of the impairment or insolvency of the member insurer that issued the policies or contracts. The Commissioner of Insurance appoints the nine-member board of directors of the association.
2. The *Texas Title Insurance Guaranty Association (TTIGA)* was created pursuant to Texas Insurance Code Chapter 2602, for the purpose of protecting Texas title insurance policyholders and claimants when a title insurance company or agency fails. This applies to all title insurance written by title insurance companies authorized to do business in Texas. The commissioner of insurance appoints the nine-member board of directors.
3. The *Texas Mutual Insurance Company (Texas Mutual)* was created pursuant to Texas Insurance Code Chapter 2054 and operates as a domestic mutual insurance company providing workers' compensation insurance in the state of Texas and also serves as the insurer of last resort. The commissioner of insurance regulates this entity to the same extent as a private mutual insurance company. The governor appoints five of the nine members of the board with the advice and consent of the Senate.

Administrative Offices

Texas Life and Health Insurance Guaranty Association
515 Congress Avenue, Suite 1875
Austin, TX 78701

Texas Title Insurance Guaranty Association
In the Office of Mitchell Williams Law Firm
500 West 5th Street, STE 1150
Austin, TX 78701-3835

Texas Mutual Insurance Company
6210 East Highway 290
Austin, TX 78723

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TEXAS DEPARTMENT OF INSURANCE (454)

NOTE 20: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Fair Access to Insurance Requirements (FAIR) Plan Association, discretely presented component unit fund 4163, reported a negative net position of \$14,244,755.00.

- At times, the Association can run at a deficit as was the case during this reporting period. The Association can, with the approval of the Commissioner, issue public securities or assess member companies at any time there is a deficit. It has been decided not to assess at this time and it is anticipated to reduce the deficit through positive operations in the future.

NOTE 21: NOT APPLICABLE TO THE AFR

N/A

NOTE 22: DONOR-RESTRICTED ENDOWMENTS

N/A

NOTE 23: EXTRAORDINARY AND SPECIAL ITEMS

N/A

NOTE 24: DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

Net other payables as of August 31, 2017, as reported by the combining statement of fiduciary net position (Exhibit I-1), are detailed by type as follows:

Net Other Payables Current	Amount
Payables related to claims and loss adjustment expense reserves (Fund 9993)	\$ 256,119.00
Payables related to current liabilities for insurance companies in receivership (Fund 2999)	131,012,451.00
Total Net Other Payables – Current	\$ 131,268,570.00
Net Other Payables Non-Current	Amount
Payables related to non-current liabilities for insurance companies in receivership (Fund 2999)	\$ 158,849,934.71
Total Net Other Payables – Non-Current	\$ 158,849,934.71
Total Net Other Payables – Primary Government	\$ 290,118,504.71

Net other payables as of August 31, 2017, as reported by the discretely presented component units (Exhibit L-1), are detailed by type as follows:

Net Other Payables Current	Amount
Payables related to deferred rent liability (Fund 3159)	\$ 35,721.00
Payables related to losses, loss expense reserves and other liabilities (Fund 4154)	80,035,955.00
Payables related to losses, loss expense reserves and other liabilities (Fund 4163)	29,518,915.00
Total Net Other Payables – Current	\$ 109,590,591.00
Net Other Payables Non-Current	Amount
Payables related to long-term debt outstanding on bonds (Fund 4154)	\$ 414,600,000.00
Total Net Other Payables – Non-Current	\$ 414,600,000.00
Total Net Other Payables – Proprietary	\$ 524,190,591.00
Total Net Other Payables	\$ 814,309,095.71

NOTE 25: TERMINATION BENEFITS

N/A

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TEXAS DEPARTMENT OF INSURANCE (454)

NOTE 26: SEGMENT INFORMATION

N/A

NOTE 27: SERVICE CONCESSION ARRANGEMENTS

N/A

NOTE 28: DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

N/A

NOTE 29: TROUBLED DEBT RESTRUCTURING

N/A

NOTE 30: NON-EXCHANGE FINANCIAL GUARANTEES

N/A

NOTE 31: TAX ABATEMENTS

N/A

NOTE 32: FUND BALANCE

N/A

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Texas Department of Insurance (454)
Exhibit A-1 - Combining Balance Sheet - All General and Consolidated Funds

August 31, 2017

	General		Consolidated Accounts	
	General Revenue (0001)	Local - GAAP General Fund (9999)	GR Account -Tx Department of Insurance Operating (0036)	GR Account - Subsequent Injury Fund (5101)
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Cash in Bank	\$ -	\$ 134,277.85	\$ 100,685.00	\$ -
Legislative Appropriations	2,195,929.56	-	-	-
Cash in State Treasury	-	-	145,673,053.35	82,279,475.97
Cash Equivalents	-	9,051,192.68	-	-
Receivables from:				
Federal	-	-	663,656.29	-
Interest and Dividends	-	-	-	-
Accounts Receivable	-	84,461.85	300,617.60	-
Interfund Receivable	-	-	42,942.13	-
Consumable Inventories	-	-	186,671.28	-
Total Current Assets	2,195,929.56	9,269,932.38	146,967,625.65	82,279,475.97
Total Assets	<u>\$ 2,195,929.56</u>	<u>\$ 9,269,932.38</u>	<u>\$ 146,967,625.65</u>	<u>\$ 82,279,475.97</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Current Liabilities:				
Payables from:				
Accounts	\$ 644,468.81	\$ -	\$ 3,138,834.33	\$ 4,024.58
Payroll	23,235.94	-	7,991,385.68	-
Interfund Payable	-	-	42,942.13	-
Due To Other Agencies	-	-	3,941,167.37	-
Deferred Revenues	-	-	99,557.69	-
Total Current Liabilities	<u>667,704.75</u>	<u>-</u>	<u>15,213,887.20</u>	<u>4,024.58</u>
Total Liabilities	<u>667,704.75</u>	<u>-</u>	<u>15,213,887.20</u>	<u>4,024.58</u>
Fund Balances (Deficits):				
Nonspendable	-	-	186,671.28	-
Committed	-	9,269,932.38	131,567,067.17	82,275,451.39
Unassigned	1,528,224.81	-	-	-
Total Fund Balances	<u>1,528,224.81</u>	<u>9,269,932.38</u>	<u>131,753,738.45</u>	<u>82,275,451.39</u>
Total Liabilities and Fund Balances	<u>\$ 2,195,929.56</u>	<u>\$ 9,269,932.38</u>	<u>\$ 146,967,625.65</u>	<u>\$ 82,279,475.97</u>

UNAUDITED

Consolidated Accounts

GR Account -Fire Prevention & Public Safety (5138)	TexasSure (0161)	GR Account -Premium Stabilization Fund (0329)	TDI Local Operating Fund (1006)	Total (Ex I)
\$ -	\$ -	\$ -	\$ -	\$ 234,962.85
-	-	-	-	2,195,929.56
49,153.41	4,256,684.97	47,083,053.00	670,650.99	280,012,071.69
-	-	-	2,859,684.10	11,910,876.78
-	-	-	-	663,656.29
-	-	-	78.92	78.92
-	-	-	5,312,485.53	5,697,564.98
-	-	-	-	42,942.13
-	-	-	-	186,671.28
<u>49,153.41</u>	<u>4,256,684.97</u>	<u>47,083,053.00</u>	<u>8,842,899.54</u>	<u>300,944,754.48</u>
<u>\$ 49,153.41</u>	<u>\$ 4,256,684.97</u>	<u>\$ 47,083,053.00</u>	<u>\$ 8,842,899.54</u>	<u>\$ 300,944,754.48</u>
\$ -	\$ 365,225.00	\$ -	\$ -	\$ 4,152,552.72
-	-	-	670,650.99	8,685,272.61
-	-	-	-	42,942.13
-	-	-	-	3,941,167.37
-	-	-	-	99,557.69
-	<u>365,225.00</u>	-	<u>670,650.99</u>	<u>16,921,492.52</u>
-	<u>365,225.00</u>	-	<u>670,650.99</u>	<u>16,921,492.52</u>
-	-	-	-	186,671.28
49,153.41	3,891,459.97	47,083,053.00	8,172,248.55	282,308,365.87
-	-	-	-	1,528,224.81
<u>49,153.41</u>	<u>3,891,459.97</u>	<u>47,083,053.00</u>	<u>8,172,248.55</u>	<u>284,023,261.96</u>
<u>\$ 49,153.41</u>	<u>\$ 4,256,684.97</u>	<u>\$ 47,083,053.00</u>	<u>\$ 8,842,899.54</u>	<u>\$ 300,944,754.48</u>

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

Texas Department of Insurance (454)
Exhibit A-2 - Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances – All General and Consolidated Funds

For the Fiscal Year Ended August 31, 2017

	General		Consolidated Accounts	
	General Revenue (0001)	Local - GAAP General Fund (9999)	GR Account -Tx Department of Insurance Operating (0036)	GR Account - Subsequent Injury Fund (5101)
REVENUES				
Legislative Appropriations:				
Original Appropriations	\$ 224,406.00	\$ -	\$ -	\$ -
Additional Appropriations	45,185.85	-	-	-
Taxes	-	-	1,095,294.40	-
Federal Revenue	263,806.19	-	3,150,925.67	-
Federal Grant Pass-Through Revenue	-	-	65,597.33	-
Licenses, Fees and Permits	1,506,027.00	-	29,773,846.78	-
Settlement of Claims	-	-	3,091.11	-
Sales of Goods and Services	-	-	7,000.00	-
Interest and Other Investment Income	-	20,456.98	-	-
Other	-	796,130.40	1,778,459.51	13,354,876.67
Total Revenues	2,039,425.04	816,587.38	35,874,214.80	13,354,876.67
EXPENDITURES				
Salaries and Wages	208,037.08	746,249.91	73,154,675.70	-
Payroll Related Costs	48,208.64	206,234.76	32,449,710.57	-
Professional Fees and Services	-	3,294.60	4,448,489.09	-
Travel	-	5,859.98	1,614,184.07	-
Materials and Supplies	-	453.67	(915,249.80)	-
Communication and Utilities	-	147.50	1,338,795.92	-
Repairs and Maintenance	7,475.62	-	1,108,973.15	-
Rentals and Leases	12,972.33	572.50	4,140,341.94	-
Printing and Reproduction	-	386.49	1,243,172.35	-
Claims and Judgments (Note 17)	-	-	3,481.80	7,384,822.99
Intergovernmental Payments	1,634,012.68	-	386,381.00	-
Other Expenditures	6,400.80	19,972.10	3,742,978.68	-
Capital Outlay	-	-	490,720.95	-
Total Expenditures	1,917,107.15	983,171.51	123,206,655.42	7,384,822.99
Excess (Deficiency) of Revenues:				
Over Expenditures	122,317.89	(166,584.13)	(87,332,440.62)	5,970,053.68
OTHER FINANCING SOURCES (USES)				
Transfers In	-	7,200,828.77	143,931,652.32	26,698,355.25
Transfers Out	(286,233.07)	-	(51,821,117.91)	(26,698,355.25)
Sale of Capital Assets	29,902.50	-	-	-
Appropriations Lapsed	-	-	-	-
Total Other Financing Sources (Uses)	(256,330.57)	7,200,828.77	92,110,534.41	-
Net Change in Fund Balances/Net Assets	(134,012.68)	7,034,244.64	4,778,093.79	5,970,053.68
FUND FINANCIAL STATEMENT-FUND BALANCES				
Fund Balances, September 1, 2016, as Restated	1,662,237.49	2,235,687.74	126,975,659.66	76,305,397.71
Restatements	-	-	(15.00)	-
Fund Balances, September 1, 2016, as Restated	1,662,237.49	2,235,687.74	126,975,644.66	76,305,397.71
Fund Balances, August 31, 2017	<u>\$ 1,528,224.81</u>	<u>\$ 9,269,932.38</u>	<u>\$ 131,753,738.45</u>	<u>\$ 82,275,451.39</u>

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<u>Consolidated Accounts</u>				
<u>GR Account - Fire Prevention & Public Safety Fund (5138)</u>	<u>TexasSure (0161)</u>	<u>GR Account - Premium Stabilization Fund (0329)</u>	<u>TDI Local Operating Fund (1006)</u>	<u>Total (Ex II)</u>
\$ -	\$ -	\$ -	\$ -	\$ 224,406.00
-	-	-	-	45,185.85
-	-	-	-	1,095,294.40
-	-	-	-	3,414,731.86
-	-	-	-	65,597.33
-	5,073,752.00	-	9,721,258.24	46,074,884.02
-	-	-	-	3,091.11
-	-	-	-	7,000.00
-	-	-	22,921.83	43,378.81
-	-	-	-	15,929,466.58
-	5,073,752.00	-	9,744,180.07	66,903,035.96
-	-	-	6,248,675.32	80,357,638.01
-	-	-	1,906,200.92	34,610,354.89
-	2,188,626.57	-	-	6,640,410.26
-	-	-	674,095.64	2,294,139.69
-	(1,543,463.51)	-	-	(2,458,259.64)
-	772.03	-	-	1,339,715.45
-	568.10	-	-	1,117,016.87
-	-	-	-	4,153,886.77
-	-	-	-	1,243,558.84
-	-	-	-	7,388,304.79
-	-	-	-	2,020,393.68
-	-	-	16,317.67	3,785,669.25
-	535,788.84	-	-	1,026,509.79
-	1,182,292.03	-	8,845,289.55	143,519,338.65
-	3,891,459.97	-	898,890.52	(76,616,302.69)
-	-	-	8,957,979.13	186,788,815.47
-	-	-	(8,957,979.13)	(87,763,685.36)
-	-	-	-	29,902.50
-	-	-	-	-
-	-	-	-	99,055,032.61
-	3,891,459.97	-	898,890.52	22,438,729.92
49,153.41	-	47,083,053.00	7,273,358.03	261,584,547.04
-	-	-	-	(15.00)
49,153.41	-	47,083,053.00	7,273,358.03	261,584,532.04
<u>\$ 49,153.41</u>	<u>\$ 3,891,459.97</u>	<u>\$ 47,083,053.00</u>	<u>\$ 8,172,248.55</u>	<u>\$ 284,023,261.96</u>

Texas Department of Insurance (454)
Exhibit I-1 - Combining Statement of Fiduciary Net Position
Private-Purpose Trust Funds

August 31, 2017

	Private-Purpose Catastrophe Reserve Trust Fund (3204)	Unclaimed Dividend Trust Fund (0923)	Private-Purpose Estates/Securities in Trust (2999)	Private-Purpose Texas Health Trust Fund (9993)	Totals (Ex VI)
ASSETS					
Current Assets:					
Cash and Cash Equivalents:					
Cash in Bank	\$ -	\$ -	\$ 15,105,094.55	\$ -	\$ 15,105,094.55
Cash in State Treasury	-	1,521,394.17	-	-	1,521,394.17
Cash Equivalents	741,872,443.66	-	216,993,471.86	632,903.97	959,498,819.49
Interest and Dividends Receivable	20,607.69	-	5,618.92	17.58	26,244.19
Other Assets	-	-	-	-	-
Total Current Assets:	741,893,051.35	1,521,394.17	232,104,185.33	632,921.55	976,151,552.40
Non-Current Assets:					
Investments	-	-	60,594,163.00	-	60,594,163.00
Total Non-Current Assets:	-	-	60,594,163.00	-	60,594,163.00
Total Assets	741,893,051.35	1,521,394.17	292,698,348.33	632,921.55	1,036,745,715.40
LIABILITIES					
Current Liabilities:					
Accounts Payable	741,893,051.35	-	-	2,600.00	741,895,651.35
Funds Held for Others	-	-	-	-	-
Other Liabilities	-	-	131,012,451.00	256,119.00	131,268,570.00
Total Current Liabilities:	741,893,051.35	-	131,012,451.00	258,719.00	873,164,221.35
Non-Current Liabilities:					
Other Non-Current Liabilities	-	-	158,849,934.71	-	158,849,934.71
Total Non-Current Liabilities:	-	-	158,849,934.71	-	158,849,934.71
Total Liabilities	741,893,051.35	-	289,862,385.71	258,719.00	1,032,014,156.06
NET POSITION					
Held in trust for:					
Individuals, Organizations, and Other Governments	-	1,521,394.17	2,835,962.62	374,202.55	4,731,559.34
Total Net Position	\$ -	\$ 1,521,394.17	\$ 2,835,962.62	\$ 374,202.55	\$ 4,731,559.34

Texas Department of Insurance (454)
Exhibit I-2 - Combining Statement of Changes in Fiduciary Net Position
Private-Purpose Trust Funds

For the Fiscal Year Ended August 31, 2017

	Private-Purpose Catastrophe Reserve Trust Fund (3204)	Unclaimed Dividend Trust Fund (0923)	Private-Purpose Estates/Securities in Trust (2999)	Private-Purpose Texas Health Trust Fund (9993)	Total (Ex VII)
ADDITIONS					
Investment Income:					
From Investing Activities:					
Interest and Investment Income	\$ 3,821,173.87	\$ 82,411.95	\$ 1,141,048.22	\$ 3,444.38	\$ 5,048,078.42
Total Investing Income	3,821,173.87	82,411.95	1,141,048.22	3,444.38	5,048,078.42
Less Investing Activities Expense	-	-	-	-	-
Net Income from Investing Activities	3,821,173.87	82,411.95	1,141,048.22	3,444.38	5,048,078.42
Total Net Investment Income	3,821,173.87	82,411.95	1,141,048.22	3,444.38	5,048,078.42
Other Additions:					
Other Revenue	153,020,926.35	-	6,510,508.91	78,507.53	159,609,942.79
Transfers In	-	-	-	-	-
Total Other Additions	153,020,926.35	-	6,510,508.91	78,507.53	159,609,942.79
Total Additions	156,842,100.22	82,411.95	7,651,557.13	81,951.91	164,658,021.21
DEDUCTIONS					
Disaster Relief Payments	741,893,051.35	-	-	-	741,893,051.35
Materials and Supplies	-	-	53.45	593.53	646.98
Communications and Utilities	-	-	-	504.94	504.94
Claims and Judgments (Note 17)	-	419.00	9,971,884.09	-	9,972,303.09
Interest Expense	-	-	-	1.62	1.62
Other Expense	127,731.46	-	4,983,242.54	12,687.35	5,123,661.35
Transfers Out	-	7,200,828.77	-	-	7,200,828.77
Total Deductions	742,020,782.81	7,201,247.77	14,955,180.08	13,787.44	764,190,998.10
INCREASE (DECREASE) IN NET POSITION	(585,178,682.59)	(7,118,835.82)	(7,303,622.95)	68,164.47	(599,532,976.89)
NET POSITION					
Net Position, September 1, 2016	585,178,682.59	8,640,229.99	10,139,585.57	306,038.08	604,264,536.23
Restatements	-	-	-	-	-
Net Position, September 1, 2016, As Restated	585,178,682.59	8,640,229.99	10,139,585.57	306,038.08	604,264,536.23
Net Position, August 31, 2017	<u>\$ -</u>	<u>\$ 1,521,394.17</u>	<u>\$ 2,835,962.62</u>	<u>\$ 374,202.55</u>	<u>\$ 4,731,559.34</u>

UNAUDITED

Texas Department of Insurance (454)
Exhibit J-1 - Combining Statement of Changes in Assets and Liabilities -
Agency Funds

August 31, 2017

	Beginning Balance September 1, 2016	Additions	Deductions	Ending Balance August 31, 2017
UNAPPROPRIATED RECEIPTS				
General Revenue Fund (1000) U/F (0003)				
ASSETS				
Cash in State Treasury	-	68,349,611.06	68,349,611.06	-
Accounts Receivable, Net	134,750.00	575,404.95	134,750.00	575,404.95
Total Assets	<u>134,750.00</u>	<u>68,925,016.01</u>	<u>68,484,361.06</u>	<u>575,404.95</u>
LIABILITIES				
Accounts Payable	-	46,321.59	46,321.59	-
Due to other Agencies	134,750.00	575,404.95	134,750.00	575,404.95
Funds Held for Others	-	68,349,611.06	68,349,611.06	-
Total Liabilities	<u>134,750.00</u>	<u>68,971,337.60</u>	<u>68,530,682.65</u>	<u>575,404.95</u>
Child Support Employ Deduct (0807) U/F (0807)				
ASSETS				
Cash in State Treasury	18,202.18	237,402.33	239,053.54	16,550.97
Total Assets	<u>18,202.18</u>	<u>237,402.33</u>	<u>239,053.54</u>	<u>16,550.97</u>
LIABILITIES				
Accounts Payable	-	220,082.81	220,082.81	-
Funds Held for Others	18,202.18	237,402.33	239,053.54	16,550.97
Total Liabilities	<u>18,202.18</u>	<u>457,485.14</u>	<u>459,136.35</u>	<u>16,550.97</u>
Tx Worker's Comp Self Insurance Fund (0893) U/F (0893)				
ASSETS				
Cash in State Treasury	7,300,000.00	8,372,116.38	7,522,116.38	8,150,000.00
Other Current Assets	481,973,471.31	-	4,270,000.00	477,703,471.31
Total Assets	<u>489,273,471.31</u>	<u>8,372,116.38</u>	<u>11,792,116.38</u>	<u>485,853,471.31</u>
LIABILITIES				
Accounts Payable	-	140,565.24	140,565.24	-
Funds Held for Others	489,273,471.31	1,072,116.38	4,492,116.38	485,853,471.31
Total Liabilities	<u>489,273,471.31</u>	<u>1,212,681.62</u>	<u>4,632,681.62</u>	<u>485,853,471.31</u>
Departmental Suspense (0900) U/F (0900)				
ASSETS				
Cash in State Treasury	-	3,026,934.77	3,026,934.77	-
Total Assets	<u>-</u>	<u>3,026,934.77</u>	<u>3,026,934.77</u>	<u>-</u>
LIABILITIES				
Accounts Payable	-	150,007.76	150,007.76	-
Funds Held for Others	-	3,026,934.77	3,026,934.77	-
Total Liabilities	<u>-</u>	<u>3,176,942.53</u>	<u>3,176,942.53</u>	<u>-</u>
LIFE/HLTH/ACC/CAS INS TR ACCT (0921) U/F (0921)				
ASSETS				
Cash in State Treasury	627,938.00	654,979.00	628,988.00	653,929.00
Other Current Assets	791,507,700.00	101,093,907.51	29,853,304.51	862,748,303.00
Total Assets	<u>792,135,638.00</u>	<u>101,748,886.51</u>	<u>30,482,292.51</u>	<u>863,402,232.00</u>
LIABILITIES				
Accounts Payable	-	1,050.00	1,050.00	-
Funds Held for Others	792,135,638.00	101,748,886.51	30,482,292.51	863,402,232.00
Total Liabilities	<u>792,135,638.00</u>	<u>101,749,936.51</u>	<u>30,483,342.51</u>	<u>863,402,232.00</u>

Texas Department of Insurance (454)
Exhibit J-1 - Combining Statement of Changes in Assets and Liabilities -
Agency Funds

August 31, 2017

	Beginning Balance September 1, 2016	Additions	Deductions	Ending Balance August 31, 2017
<u>Direct Deposit Correction Fund (0980) U/F (0980)</u>				
ASSETS				
Cash in State Treasury	-	107,364.29	107,364.29	-
Total Assets	-	107,364.29	107,364.29	-
LIABILITIES				
Funds Held for Others	-	107,364.29	107,364.29	-
Total Liabilities	-	107,364.29	107,364.29	-
<u>Securities In Trust - Local (9995) U/F (0995)</u>				
ASSETS				
Other Current Assets	-	106,280,320.00	6,768,866.00	99,511,454.00
Total Assets	-	106,280,320.00	6,768,866.00	99,511,454.00
LIABILITIES				
Funds Held for Others	-	106,280,320.00	6,768,866.00	99,511,454.00
Total Liabilities	-	106,280,320.00	6,768,866.00	99,511,454.00
Totals - All Agency Funds (Exhibit VI)				
ASSETS				
Cash in State Treasury	7,946,140.18	80,748,407.83	79,874,068.04	8,820,479.97
Accounts Receivable, Net	134,750.00	575,404.95	134,750.00	575,404.95
Other Current Assets	1,273,481,171.31	207,374,227.51	40,892,170.51	1,439,963,228.31
Total Assets	1,281,562,061.49	288,698,040.29	120,900,988.55	1,449,359,113.23
LIABILITIES				
Accounts Payable	-	558,027.40	558,027.40	-
Due to Other Agencies	134,750.00	575,404.95	134,750.00	575,404.95
Funds Held for Others	1,281,427,311.49	280,822,635.34	113,466,238.55	1,448,783,708.28
Total Liabilities	1,281,562,061.49	281,956,067.69	114,159,015.95	1,449,359,113.23

UNAUDITED

Texas Department of Insurance (454)
Exhibit L-1 - Combining Statement of Net Position
Discretely Presented Proprietary Component Units

August 31, 2017

	Surplus Lines Stamping Office of Texas (3159) U/F (0391)	Texas Health Reinsurance System (4151) U/F (0392)
ASSETS		
Current Assets:		
Cash and Cash Equivalents:		
Cash in Bank	\$ 696,358.00	\$ 341,925.00
Cash Equivalents	-	-
Short Term Investments	8,500,000.00	-
Receivables from:	-	-
Interest and Dividends	13,247.00	-
Accounts Receivable	712,579.00	-
Prepaid Items	221,057.00	-
Other Current Assets	-	-
Total Current Assets	10,143,241.00	341,925.00
Non-Current Assets:		
Capital Assets (Note 2):		
Furniture and Equipment-Depreciable	7,203,234.00	-
Less Accumulated Depreciation	(6,721,313.00)	-
Non-Depreciable Assets (CIP)	99,121.00	-
Other Assets- Depreciable	79,745.00	-
Less Accumulated Depreciation- Other	(78,051.00)	-
Other Non-Current Assets	43,266.00	-
Total Non-Current Assets	626,002.00	-
Total Assets	10,769,243.00	341,925.00
LIABILITIES		
Current Liabilities:		
Payables from:		
Accounts	32,461.00	12,650.00
Payroll	17,868.00	-
Other Liabilities	35,721.00	-
Employee's Compensable Leave	45,636.00	-
Deferred Revenue	-	-
Total Current Liabilities	131,686.00	12,650.00
Non Current Liabilities:		
Other Liabilities	-	-
Total Liabilities	131,686.00	12,650.00
NET POSITION		
Invested in Capital Assets, Net of Related Debt	582,736.00	-
Restricted	-	-
Unrestricted	10,054,821.00	329,275.00
Total Net Position	\$ 10,637,557.00	\$ 329,275.00

Note A - These Component Units have a fiscal year end of December 31, 2016. Financial information is as of that date.

UNAUDITED

Texas Windstorm Insurance Association (4154) U/F (0394)	Fair Access to Insurance Requirements Plan Association (4163) U/F (0397)	Totals (Ex III)
\$ 30,308,562.00	\$ 12,449,955.00	\$ 43,796,800.00
999,381,725.00	48,131,355.00	1,047,513,080.00
-	-	8,500,000.00
-	-	
-	65,422.00	78,669.00
-	12,694,966.00	13,407,545.00
2,484,007.00	-	2,705,064.00
2,287,492.00	284,723.00	2,572,215.00
<u>1,034,461,786.00</u>	<u>73,626,421.00</u>	<u>1,118,573,373.00</u>
11,511,635.00	68,293.00	18,783,162.00
(6,178,123.00)	(68,293.00)	(12,967,729.00)
-	-	99,121.00
1,857,843.00	-	1,937,588.00
(796,205.00)	-	(874,256.00)
-	-	43,266.00
<u>6,395,150.00</u>	<u>-</u>	<u>7,021,152.00</u>
<u>1,040,856,936.00</u>	<u>73,626,421.00</u>	<u>1,125,594,525.00</u>
238,383,052.00	19,126,980.00	257,555,143.00
-	-	17,868.00
80,035,955.00	29,518,915.00	109,590,591.00
-	-	45,636.00
<u>238,012,019.00</u>	<u>39,225,281.00</u>	<u>277,237,300.00</u>
<u>556,431,026.00</u>	<u>87,871,176.00</u>	<u>644,446,538.00</u>
414,600,000.00	-	414,600,000.00
<u>971,031,026.00</u>	<u>87,871,176.00</u>	<u>1,059,046,538.00</u>
6,395,150.00	-	6,977,886.00
-	-	-
63,430,760.00	(14,244,755.00)	59,570,101.00
<u>\$ 69,825,910.00</u>	<u>\$ (14,244,755.00)</u>	<u>\$ 66,547,987.00</u>

UNAUDITED

Texas Department of Insurance (454)
Exhibit L-2 - Combining Statement of Revenues, Expenses, and
Changes in Net Position –
Discretely Presented Proprietary Component Units

For the Fiscal Year Ended August 31, 2017

	Surplus Lines Stamping Office of Texas (3159) U/F (0391)	Texas Health Reinsurance System (4151) U/F (0392)
	<u>U/F (0391)</u>	<u>U/F (0392)</u>
OPERATING REVENUES:		
Sales of Goods and Services:		
Other Sales of Goods and Services	\$ -	\$ -
Premium Revenue	7,063,025.00	-
Interest and Investment Income	-	886.00
Other Operating Revenue	-	-
Total Operating Revenues	<u>7,063,025.00</u>	<u>886.00</u>
OPERATING EXPENSES:		
Salaries and Wages	1,193,549.00	-
Payroll Related Costs	326,313.00	-
Professional Fees and Services	398,031.00	19,400.00
Travel	91,917.00	1,451.00
Materials and Supplies	36,392.00	-
Communication and Utilities	43,668.00	-
Repairs and Maintenance	48,021.00	-
Rentals and Leases	316,192.00	-
Printing and Reproduction	2,301.00	-
Depreciation and Amortization	742,200.00	-
Other Operating Expenses	72,250.00	15,000.00
Total Operating Expenses	<u>3,270,834.00</u>	<u>35,851.00</u>
Operating Income (Loss)	<u>3,792,191.00</u>	<u>(34,965.00)</u>
NONOPERATING REVENUE (EXPENSES):		
Interest and Investment Income	46,983.00	-
Claims and Judgments Expense (Note 17)	-	-
Interest Expenses and Fiscal Charges	-	-
Other Nonoperating Revenues (Expenses)	-	-
Total Other Nonoperating Revenues (Expenses)	<u>46,983.00</u>	<u>-</u>
Income (Loss) Before Capital Contributions, Endowments and Transfers	<u>3,839,174.00</u>	<u>(34,965.00)</u>
CAPITAL CONTRIBUTIONS, ENDOWMENTS AND TRANSFERS		
Transfer In/Out	-	-
Total Capital Contributions, Endowments and Transfers	<u>-</u>	<u>-</u>
Change in Net Position	<u>3,839,174.00</u>	<u>(34,965.00)</u>
Net Position, September 1, 2016	6,798,383.00	364,240.00
Restatements (Note 14)	-	-
Net Position, September 1, 2016, as Restated	<u>6,798,383.00</u>	<u>364,240.00</u>
Net Position, August 31, 2017	<u>\$ 10,637,557.00</u>	<u>\$ 329,275.00</u>

Note A - These Component Units have a fiscal year end of December 31, 2016. Financial information is as of that date.

UNAUDITED

Texas Windstorm Insurance Association (4154) U/F (0394)	Fair Access to Insurance Requirements Plan Association (4163) U/F (0397)	Totals (Ex IV)
\$ -	\$ -	\$ -
370,404,145.00	84,401,063.00	461,868,233.00
-	-	886.00
-	-	-
<u>370,404,145.00</u>	<u>84,401,063.00</u>	<u>461,869,119.00</u>
16,396,547.00	4,888,683.00	22,478,779.00
2,561,948.00	4,245,216.00	7,133,477.00
-	-	417,431.00
-	-	93,368.00
-	-	36,392.00
-	-	43,668.00
-	-	48,021.00
1,361,592.00	450,757.00	2,128,541.00
-	-	2,301.00
2,236,834.00	-	2,979,034.00
124,880,248.00	94,842,076.00	219,809,574.00
<u>147,437,169.00</u>	<u>104,426,732.00</u>	<u>255,170,586.00</u>
<u>222,966,976.00</u>	<u>(20,025,669.00)</u>	<u>206,698,533.00</u>
3,278,533.00	53,446.00	3,378,962.00
-	-	-
(37,596,000.00)	-	(37,596,000.00)
<u>(147,250,739.00)</u>	<u>(414,081.00)</u>	<u>(147,664,820.00)</u>
<u>(181,568,206.00)</u>	<u>(360,635.00)</u>	<u>(181,881,858.00)</u>
<u>41,398,770.00</u>	<u>(20,386,304.00)</u>	<u>24,816,675.00</u>
-	-	-
-	-	-
<u>41,398,770.00</u>	<u>(20,386,304.00)</u>	<u>24,816,675.00</u>
28,427,140.00	6,141,549.00	41,731,312.00
-	-	-
<u>28,427,140.00</u>	<u>6,141,549.00</u>	<u>41,731,312.00</u>
<u>\$ 69,825,910.00</u>	<u>\$ (14,244,755.00)</u>	<u>\$ 66,547,987.00</u>

Texas Department of Insurance (454)
Schedule 1A - Schedule Of Expenditures Of Federal Awards

For the fiscal year ended August 31, 2017

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	CFDA Number	Identifying Number	Pass-Through From		
			Agy./ Univ. No	Agencies or Univ. Amount	Non-State Entities Amount
U.S. Department of Justice					
Pass-Through From:					
Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.738		300	65,597.33	
Total U.S. Department of Justice				<u>\$ 65,597.33</u>	<u>\$ -</u>
U.S. Department of Labor					
Direct Programs:					
Compensation and Working Conditions	17.005			-	-
Consultation Agreements	17.504			-	-
Total U.S. Department of Labor				<u>\$ -</u>	<u>\$ -</u>
U.S. Dept of Health and Human Svcs					
Direct Programs:					
Affordable Care Act (ACA) Grants to States for Health Insurance Premium Review	93.511			-	-
Total U.S. Dept. of Health and Human Svcs				<u>\$ -</u>	<u>\$ -</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE				<u>\$ 65,597.33</u>	<u>\$ -</u>

UNAUDITED

Direct Program Amount	Total PT From & Direct Program	Pass-Through To			Expenditures Amount	Total PT To & Expenditures
		Agy./ Univ. No	State Agy. or Univ. Amount	Non-State Entities Amount		
	65,597.33				65,597.33	65,597.33
\$ -	\$ 65,597.33		\$ -	\$ -	\$ 65,597.33	\$ 65,597.33
238,686.00	238,686.00		-	-	238,686.00	238,686.00
2,762,235.79	2,762,235.79		-	-	2,762,235.79	2,762,235.79
\$ 3,000,921.79	\$ 3,000,921.79		\$ -	\$ -	\$ 3,000,921.79	\$ 3,000,921.79
413,810.07	413,810.07		-	-	413,810.07	413,810.07
\$ 413,810.07	\$ 413,810.07		\$ -	\$ -	\$ 413,810.07	\$ 413,810.07
\$ 3,414,731.86	\$ 3,480,329.19		\$ -	\$ -	\$ 3,480,329.19	\$ 3,480,329.19

Texas Department of Insurance (454)
Schedule 1A - Schedule Of Expenditures Of Federal Awards

For the fiscal year ended August 31, 2017

Note 2 - Reconciliation

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

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

Federal Revenue	\$ 3,414,731.86
Federal Grant Pass-Through Revenue	<u>\$ 65,597.33</u>
 Total Pass-Through and Expenditures per Federal Schedule	 <u><u>\$ 3,480,329.19</u></u>

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Texas Department of Insurance (454)
Schedule 6 - Summary of Revenues/Transfers In - State Treasury

For the fiscal year ended August 31, 2017

	Insurance Operating Account (0036)	General Revenue Fund (0001)	Local - GAAP General Fund (9999)
COLLECTED BY			
THE TEXAS DEPARTMENT OF INSURANCE			
GENERAL FUNDS			
ORIGINAL APPROPRIATIONS			
Original Appropriations	\$ -	\$ 224,406.00	\$ -
TOTAL ORIGINAL APPROPRIATIONS	-	224,406.00	-
ADDITIONAL APPROPRIATIONS			
Additional Appropriations	\$ -	\$ 45,185.85	\$ -
TOTAL ADDITIONAL APPROPRIATIONS	-	45,185.85	-
TAXES			
Taxes - Certified Self-Insurers	\$ 1,095,294.40	\$ -	\$ -
TOTAL TAXES	1,095,294.40	-	-
FEDERAL FUNDS			
Federal Revenue	\$ 3,150,925.67	\$ 263,806.19	\$ -
Federal Pass-Through Revenue	65,597.33	-	-
TOTAL FEDERAL FUNDS	3,216,523.00	263,806.19	-

UNAUDITED

Subsequent Injury Fund (5101)	TDI Local Operating Fund (1006)	TexasSure Fund (0161)	Total
\$ -	\$ -	\$ -	\$ 224,406.00
-	-	-	224,406.00
\$ -	\$ -	\$ -	\$ 45,185.85
-	-	-	45,185.85
\$ -	\$ -	\$ -	\$ 1,095,294.40
-	-	-	1,095,294.40
\$ -	\$ -	\$ -	\$ 3,414,731.86
-	-	-	65,597.33
-	-	-	3,480,329.19

Texas Department of Insurance (454)
Schedule 6 - Summary of Revenues/Transfers In - State Treasury

For the fiscal year ended August 31, 2017

	Insurance Operating Account (0036)	General Revenue Fund (0001)	Local - GAAP General Fund (9999)
LICENSES, FEES AND PERMITS			
Administrative Fees	\$ 499,718.20	\$ -	\$ -
Agents Certification and Clearance Letters	12,692.00	-	-
Amusement Ride Safety Inspections	429,124.04	-	-
Catastrophic Pool Inspection Fees	660.00	-	-
Examination and Assessment Fees	3,517,487.08	-	-
Examination Premium Finance	-	-	-
Insurance Penalty in Lieu of Suspension	-	1,500,000.00	-
Credit Card & Elect Services Related Fees	13,961.76	-	-
Examination Fees - Third Party Administrators	15,950.00	-	-
Motor Vehicle Registration Fees	-	-	-
Fees - Certified Self-Insurers	711,998.98	-	-
Filing Fees - Health Maintenance Organizations	188,963.49	-	-
Filing Fees - Insurance Premium Finance	48,251.00	-	-
Filing Fees - Life	139,640.70	-	-
Filing Fees - Policy Approval	433,977.05	-	-
Filing Fees - Property and Casualty	269,625.30	-	-
Filing Fees - Third Party Administrators	189,923.00	-	-
Filing Fees - Workers' Compensation	4,000.00	-	-
License Fees - Insurance Adjusters and Agents	20,009,141.43	6,027.00	-
License Fees - Title Insurance	177,334.50	-	-
State Fire Marshal Fees	3,110,620.75	-	-
Miscellaneous Certification Fees	777.50	-	-
TOTAL LICENSES, FEES, AND PERMITS	29,773,846.78	1,506,027.00	-
SETTLEMENT OF CLAIMS			
Judgements and Settlements	\$ 3,091.11	\$ -	\$ -
TOTAL Settlement of Claims	3,091.11	-	-
SALES OF GOODS AND SERVICES			
Sales of Supplies/Equipment/Services	\$ 7,000.00	\$ -	\$ -
TOTAL SALES OF GOODS AND SERVICES	7,000.00	-	-
OTHER REVENUES			
Reimbursements - Third Party	\$ 1,777,459.51	\$ -	\$ -
Interest and Investment Income	-	-	20,456.98
Other Miscellaneous Governmental Revenue	1,000.00	-	796,130.40
Workers' Compensation Insurance Benefits to State	-	-	-
TOTAL OTHER REVENUES	1,778,459.51	-	816,587.38
TOTAL GENERAL FUNDS COLLECTIONS	35,874,214.80	2,039,425.04	816,587.38

UNAUDITED

Subsequent Injury Fund (5101)	TDI Local Operating Fund (1006)	TexasSure Fund (0161)	Total
\$ -	\$ -	\$ -	\$ 499,718.20
-	-	-	12,692.00
-	-	-	429,124.04
-	-	-	660.00
-	9,676,758.24	-	13,194,245.32
-	44,500.00	-	44,500.00
-	-	-	1,500,000.00
-	-	-	13,961.76
-	-	-	15,950.00
-	-	5,073,752.00	5,073,752.00
-	-	-	711,998.98
-	-	-	188,963.49
-	-	-	48,251.00
-	-	-	139,640.70
-	-	-	433,977.05
-	-	-	269,625.30
-	-	-	189,923.00
-	-	-	4,000.00
-	-	-	20,015,168.43
-	-	-	177,334.50
-	-	-	3,110,620.75
-	-	-	777.50
<u>-</u>	<u>9,721,258.24</u>	<u>5,073,752.00</u>	<u>46,074,884.02</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,091.11</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>3,091.11</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,000.00</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>7,000.00</u>
\$ -	\$ -	\$ -	\$ 1,777,459.51
-	22,921.83	-	43,378.81
-	-	-	797,130.40
<u>13,354,876.67</u>	<u>-</u>	<u>-</u>	<u>13,354,876.67</u>
<u>13,354,876.67</u>	<u>22,921.83</u>	<u>-</u>	<u>15,972,845.39</u>
<u>13,354,876.67</u>	<u>9,744,180.07</u>	<u>5,073,752.00</u>	<u>66,903,035.96</u>

Texas Department of Insurance (454)
Schedule 6 - Summary of Revenues/Transfers In - State Treasury

For the fiscal year ended August 31, 2017

	Insurance Operating Account (0036)	General Revenue Fund (0001)	Local - GAAP General Fund (9999)
AGENCY FUNDS COLLECTIONS			
Viatical Settlement Registration Fees	\$ -	\$ 6,275.00	\$ -
Utilization Review Fees/Independent Review Organization	-	79,505.00	-
Filing Fees - Continuing Care Facilities	-	34,176.00	-
Returned Check Fees	-	1,660.00	-
Interest on Local Deposits	-	165.27	-
Insurance Penalties	-	53,162,394.18	-
Settlement of Claims	-	125.00	-
Penalty In Lieu of Suspension/Cancellation	-	10,520,041.52	-
Unauthorized Insurance/Administrative Penalties	-	1,955,412.49	-
Other Miscellaneous Governmental Revenue	-	44,814.03	-
SFMO - Fireworks, Education Safety	-	103,487.50	-
License Fees - Insurance Adjusters and Agents	-	174,964.00	-
SFMO - Building Inspection Fees	-	58,030.00	-
Continuing Education Provider Fees	-	257,360.00	-
TOTAL AGENCY FUNDS COLLECTIONS	-	66,398,409.99	-
TOTAL COLLECTIONS TEXAS DEPARTMENT OF INSURANCE	\$ 35,874,214.80	\$ 68,437,835.03	\$ 816,587.38
<u>TRANSFERS IN</u>			
From Comptroller of Public Accounts:			
Maintenance Tax - Motor Vehicle	\$ 12,548,191.08	\$ -	\$ -
Maintenance Tax - Fire and Allied Lines	47,888,011.02	-	-
Maintenance Tax - Workers' Compensation	1,896,344.46	-	-
Maintenance Tax - Casualty	4,534,324.27	-	-
Maintenance Fee - Title	2,103,227.96	-	-
Maintenance Tax - Life/Accident and Health	17,235,020.30	-	-
Maintenance Tax - Third Party Administrator	300,354.16	-	-
Maintenance Tax - Health Maintenance Organization	3,519,555.28	-	-
Maintenance Tax - Prepaid Legal Services	804.32	-	-
Annual Statement Filing Fees	212,520.63	-	-
Maintenance Tax - Division of Workers' Compensation	53,220,187.39	-	-
Maintenance Tax - Workers' Compensation Research	473,111.45	-	-
TOTAL REVENUES TRANSFERRED FROM COMPTROLLER OF PUBLIC ACCOUNTS	143,931,652.32	-	-
From Other Sources:			
From Sale of Fixed Assets	\$ -	\$ 29,902.50	\$ -
TOTAL REVENUES FROM TRANSFERS IN	-	29,902.50	-
TOTAL TRANSFERS IN	143,931,652.32	29,902.50	-
TOTAL REVENUES/TRANSFERS IN	\$ 179,805,867.12	\$ 68,467,737.53	\$ 816,587.38

UNAUDITED

Subsequent Injury Fund (5101)	TDI Local Operating Fund (1006)	TexasSure Fund (0161)	Total
\$ -	\$ -	\$ -	\$ 6,275.00
-	-	-	79,505.00
-	-	-	34,176.00
-	-	-	1,660.00
-	-	-	165.27
-	-	-	53,162,394.18
-	-	-	125.00
-	-	-	10,520,041.52
-	-	-	1,955,412.49
-	-	-	44,814.03
-	-	-	103,487.50
-	-	-	174,964.00
-	-	-	58,030.00
-	-	-	257,360.00
-	-	-	66,398,409.99
<u>\$ 13,354,876.67</u>	<u>\$ 9,744,180.07</u>	<u>\$ 5,073,752.00</u>	<u>\$ 133,301,445.95</u>
\$ -	\$ -	\$ -	\$ 12,548,191.08
-	-	-	47,888,011.02
-	-	-	1,896,344.46
-	-	-	4,534,324.27
-	-	-	2,103,227.96
-	-	-	17,235,020.30
-	-	-	300,354.16
-	-	-	3,519,555.28
-	-	-	804.32
-	-	-	212,520.63
-	-	-	53,220,187.39
-	-	-	473,111.45
-	-	-	143,931,652.32
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,902.50</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>29,902.50</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>143,961,554.82</u>
<u>\$ 13,354,876.67</u>	<u>\$ 9,744,180.07</u>	<u>\$ 5,073,752.00</u>	<u>\$ 277,263,000.77</u>

Texas Department of Insurance (454)
Schedule 6A
Comparative Statement of Revenues

2007 - 2017

FISCAL YEAR	TAXES COLLECTED	LICENSES & FEES	OTHER REVENUES	TOTAL
2007	106,235,978.67	41,481,113.57	15,873,188.81	163,590,281.05
2008	106,577,824.24	35,423,092.34	18,763,013.27	160,763,929.85
2009	109,224,360.62	35,524,442.14	17,474,155.77	162,222,958.53
2010	132,500,456.69	38,901,850.87	21,397,528.08	192,799,835.64
2011	124,831,504.50	38,524,174.59	19,927,592.92	183,283,272.01
2012	135,532,769.11	51,733,467.23	37,917,820.02	225,184,056.36
2013	126,104,076.05	38,914,982.17	31,673,322.13	196,692,380.35
2014	141,448,953.36	91,647,826.05	42,115,417.64	275,212,197.05
2015	140,509,795.18	46,649,510.46	79,586,263.61	266,745,569.25
2016	141,378,013.14	43,881,437.10	66,978,189.57	252,237,639.81
2017	144,814,426.09	47,041,070.64	85,407,504.04	277,263,000.77

Note: Revenues collected by and/or transferred to the Texas Department of Insurance and deposited to the State Treasury are included on this schedule.



2017 Annual Financial Report
Texas Department of Insurance