

# Annual Financial Report

Fiscal Year Ended August 31, 2021



# **Annual Financial Report**

Fiscal Year Ended August 31, 2021



Texas Department *of* Motor Vehicles

Prepared by the  
Finance & Administrative Services Division

November 20, 2021

**Texas Department of Motor Vehicles Board**

Charles Bacarisse, Chair

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Whitney H. Brewster  
Executive Director



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November 20, 2021

Honorable Greg Abbott, Governor  
Honorable Glenn Hegar, Texas Comptroller  
Mr. Jerry McGinty, Director, Legislative Budget Board  
Ms. Lisa Collier, State Auditor

Ladies and Gentlemen:

We are pleased to submit the annual financial report of the Texas Department of Motor Vehicles for the year ended August 31, 2021, 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. Eric Horn, Director of Accounting, at (512) 465-4203, or Ms. Glenna Bowman, Chief Financial Officer, at (512) 465-4125.

Sincerely,

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

Whitney H. Brewster  
Executive Director

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## **COMBINED FINANCIAL STATEMENTS**



-UNAUDITED-

**EXHIBIT I**  
**COMBINED BALANCE SHEET**  
**Statement of Net Assets - Governmental Funds**  
**For the Year Ended August 31, 2021**

	Governmental Fund Types		Total Governmental	Capital Asset Adjustments	Long Term Liabilities Adjustments	Statement of Net Assets
	General Revenue (EXH A-1)	Special Revenue (EXH B-1)				
<b>Assets</b>						
<b>Current Assets:</b>						
Cash on Hand	\$ 0.00	\$ 37,100.00	\$ 37,100.00	\$	\$	\$ 37,100.00
Cash in Bank	0.00	20,000.00	20,000.00			20,000.00
Cash in State Treasury	31,821,963.10	165,493,500.42	197,315,463.52			197,315,463.52
Legislative Appropriations	13,271,530.57	0.00	13,271,530.57			13,271,530.57
Receivables:						
Federal	0.00	0.00	0.00			0.00
Accounts Receivable	0.00	133,168,672.39	133,168,672.39			133,168,672.39
Due From Other Funds (Note 12)	0.00	0.00	0.00			0.00
Due From Other Agencies (Note 12)	0.00	4,982,912.54	4,982,912.54			4,982,912.54
Consumable Inventories	0.00	3,412,422.94	3,412,422.94			3,412,422.94
<b>Total Current Assets</b>	<b>45,093,493.67</b>	<b>307,114,608.29</b>	<b>352,208,101.96</b>			<b>352,208,101.96</b>
<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>				<b>1,675,802.07</b>		<b>1,675,802.07</b>
<b>Total Assets</b>	<b>\$ 45,093,493.67</b>	<b>\$ 307,114,608.29</b>	<b>\$ 352,208,101.96</b>	<b>\$ 1,675,802.07</b>	<b>\$ 0.00</b>	<b>\$ 353,883,904.03</b>

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

-UNAUDITED-

**EXHIBIT I (CONTINUED)**  
**COMBINED BALANCE SHEET**  
**Statement of Net Assets - Governmental Funds**  
**For the Year Ended August 31, 2021**

	Governmental Fund Types		Total Governmental	Capital Asset Adjustments	Long Term Liabilities Adjustments	Statement of Net Assets
	General Revenue (EXH A-1)	Special Revenue (EXH B-1)				
<b>Liabilities</b>						
Current Liabilities:						
Payables:						
Vouchers Payable	\$ 565,062.81	\$ 1,695,176.04	\$ 2,260,238.85		\$	\$ 2,260,238.85
Accounts Payable	3,049,258.09	4,551,886.09	7,601,144.18			7,601,144.18
Payroll Payable	48,062.97	4,840,226.85	4,888,289.82			4,888,289.82
Due to Other Funds (Note 12)	0.00	0.00	0.00			0.00
Due to Other Agencies (Note 12)	287,424.10	0.00	287,424.10			287,424.10
Unearned Revenue	0.00	0.00	0.00			0.00
Other Intergovernmental Payable	5,361,299.32	0.00	5,361,299.32			5,361,299.32
Employees Compensable Leave (Note 5)					3,180,438.44	3,180,438.44
<b>Total Current Liabilities</b>	<b>9,311,107.29</b>	<b>11,087,288.98</b>	<b>20,398,396.27</b>		<b>3,180,438.44</b>	<b>23,578,834.71</b>
Non-Current Liabilities:						
Employees Compensable Leave (Note 5)					1,804,691.72	1,804,691.72
<b>Total Non-Current Liabilities</b>					<b>1,804,691.72</b>	<b>1,804,691.72</b>
<b>Total Liabilities</b>	<b>9,311,107.29</b>	<b>11,087,288.98</b>	<b>20,398,396.27</b>		<b>4,985,130.16</b>	<b>25,383,526.43</b>
<b>Fund Financial Statement</b>						
Fund Balances:						
Non Spendable (Inventory)	0.00	3,412,422.94	3,412,422.94			3,412,422.94
Restricted	0.00	292,614,896.37	292,614,896.37			292,614,896.37
Committed	3,999,521.68	0.00	3,999,521.68			3,999,521.68
Assigned	0.00	0.00	0.00			0.00
Unassigned	31,782,864.70	0.00	31,782,864.70			31,782,864.70
<b>Total Fund Balances</b>	<b>35,782,386.38</b>	<b>296,027,319.31</b>	<b>331,809,705.69</b>			<b>331,809,705.69</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 45,093,493.67</b>	<b>\$ 307,114,608.29</b>	<b>352,208,101.96</b>			
<b>Government-Wide Statement of Net Assets</b>						
Net Assets:						
Invested in Capital Assets, Net of Related Debt			\$ 1,675,802.07	\$		\$ 1,675,802.07
Unrestricted				(4,985,130.16)		(4,985,130.16)
<b>Total Net Assets</b>			<b>\$ 1,675,802.07</b>	<b>\$ (4,985,130.16)</b>		<b>\$ 328,500,377.60</b>

-UNAUDITED-

**EXHIBIT II**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**Statement of Activities - Governmental Funds**  
**For the Year Ended August 31, 2021**

	Governmental Fund Types			Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Activities
	General (EXH A-2)	Special Revenue (EXH B-2)	Total Governmental			
<b>Revenues</b>						
Legislative Appropriations:						
Original Appropriations	\$ 11,830,297.00	\$ 0.00	\$ 11,830,297.00			\$ 11,830,297.00
Additional Appropriations	81,865.93	0.00	81,865.93			81,865.93
Federal Revenues	0.00	681,343.86	681,343.86			681,343.86
Federal Pass-Through Revenues	0.00	0.00	0.00			0.00
State Grant Pass- Through	0.00	0.00	0.00			0.00
Licenses, Fees and Permits	(18,224.25)	1,850,399,491.23	1,850,381,266.98			1,850,381,266.98
Interest & Investment Income	1,947.07	724,173.09	726,120.16			726,120.16
Settlement of Claims	0.00	0.00	0.00			0.00
Sales of Goods and Services	0.00	0.00	0.00			0.00
Other	(102,174.28)	50,592.84	(51,581.44)			(51,581.44)
<b>Total Revenues</b>	<b>11,793,711.47</b>	<b>1,851,855,601.02</b>	<b>1,863,649,312.49</b>			<b>1,863,649,312.49</b>
<b>Expenditures</b>						
Salaries and Wages	342,547.46	42,439,357.60	42,781,905.06		77,705.38	42,859,610.44
Payroll Related Costs	86,503.03	15,608,855.68	15,695,358.71			15,695,358.71
Professional Fees and Services	2,809,509.10	21,626,462.57	24,435,971.67			24,435,971.67
Travel	4,445.91	45,584.92	50,030.83			50,030.83
Materials and Supplies	98,007.42	19,233,030.14	19,331,037.56			19,331,037.56
Communications and Utilities	2,118.42	5,162,328.11	5,164,446.53			5,164,446.53
Repairs and Maintenance	24,760.80	2,836,549.73	2,861,310.53			2,861,310.53
Rentals and Leases	3,616.45	984,515.05	988,131.50			988,131.50
Printing and Reproduction	0.00	4,385,272.04	4,385,272.04			4,385,272.04
Claims and Judgements	0.00	0.00	0.00			0.00
Federal Pass-Through Expenditures	0.00	0.00	0.00			0.00
State Grant Pass-Through Expenditures	30,000.00	0.00	30,000.00			30,000.00
Intergovernmental Payments	12,464,532.35	0.00	12,464,532.35			12,464,532.35
Public Assistance Programs	0.00	0.00	0.00			0.00
Other Operating Expenditures	3,239,815.01	37,915,369.19	41,155,184.20			41,155,184.20
Capital Outlay	0.00	325,409.98	325,409.98	(325,409.98)		0.00
Depreciation Expense			0.00	551,128.44		551,128.44
<b>Total Expenditures</b>	<b>19,105,855.95</b>	<b>150,562,735.01</b>	<b>169,668,590.96</b>	<b>225,718.46</b>	<b>77,705.38</b>	<b>169,972,014.80</b>
Excess (Deficit) of Revenues over Expenditures	(7,312,144.48)	1,701,292,866.01	1,693,980,721.53	(225,718.46)	(77,705.38)	1,693,677,297.69
<b>Other Financing Sources (Uses)</b>						
Transfers In (Note 12)	504,798.14	4,419,961.47	4,924,759.61			4,924,759.61
Transfers Out (Note 12)	(278,769.50)	(1,692,572,976.77)	(1,692,851,746.27)			(1,692,851,746.27)
Sale of Capital Assets	5,122.76	1,707.59	6,830.35	(7,650.00)		(819.65)
Legislative Financing Sources	0.00	0.00	0.00			0.00
Insurance Recoveries	0.00	14,883.00	14,883.00			14,883.00
Legislative Transfers In (Note 12)	0.00	0.00	0.00			0.00
Legislative Transfers Out (Note 12)	0.00	0.00	0.00			0.00
Gain (Loss) on of Capital Assets	0.00	0.00	0.00	(13,433.45)		(13,433.45)
Inc (Dec) in Net Assets Due to Interagency Transfer	0.00	0.00	0.00			0.00
<b>Total Other Financing Sources (Uses)</b>	<b>231,151.40</b>	<b>(1,688,136,424.71)</b>	<b>(1,687,905,273.31)</b>	<b>(21,083.45)</b>	<b>0.00</b>	<b>(1,687,926,356.76)</b>
<b>Net Change in Fund Balances/Net Assets</b>	<b>(7,080,993.08)</b>	<b>13,156,441.30</b>	<b>6,075,448.22</b>	<b>(246,801.91)</b>	<b>(77,705.38)</b>	<b>5,750,940.93</b>
<b>Fund Financial Statement - Fund Balance</b>						
<b>Fund Balance - Beginning</b>	<b>43,418,084.52</b>	<b>280,267,027.99</b>	<b>323,685,112.51</b>			<b>323,685,112.51</b>
Restatements		2,603,850.02	2,603,850.02			2,603,850.02
<b>Fund Balance as Restated</b>	<b>43,418,084.52</b>	<b>282,870,878.01</b>	<b>326,288,962.53</b>			<b>326,288,962.53</b>
Appropriations Lapsed	(554,705.06)		(554,705.06)			(554,705.06)
<b>Fund Balances - August 31, 2021</b>	<b>\$ 35,782,386.38</b>	<b>\$ 296,027,319.31</b>	<b>\$ 331,809,705.69</b>			<b>\$ 331,485,198.40</b>
<b>Government-wide Statement of Net Assets</b>						
Net Change in Net Assets			\$ 331,809,705.69	(246,801.91)	(77,705.38)	\$ 331,485,198.40
Net Assets-Beginning				1,922,603.98	(4,907,424.78)	(2,984,820.80)
Restatements (Note 14)						0.00
Net Assets, September 1, 2021, as Restated and Adjusted				1,922,603.98	(4,907,424.78)	(2,984,820.80)
<b>Net Assets-August 31, 2021</b>			<b>\$ 331,809,705.69</b>	<b>1,675,802.07</b>	<b>(4,985,130.16)</b>	<b>\$ 328,500,377.60</b>

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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 vehicle crime 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 Annual Comprehensive Financial Report* (ACFR); 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.

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 Funds

Suspense Funds, known as Agency Funds in prior years, are used to account for assets held in a custodial capacity for the benefit of other agencies or individuals. These funds had previously been classified as fiduciary activities. However, with the State of Texas implementing GASB 84 in Fiscal Year 2020, these funds are now classified as governmental and are consolidated with General Revenue Funds.

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.

Intermodal Container & Milk Transport TxDMV Fund (1623) – This fund is used as a holding account for the county and/or municipality portions of three new oversize/overweight permit fees created in FY 2018. The fees are held until they can be disbursed to the appropriate county or municipality.

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.

### **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.

Texas Department of Motor Vehicles Fund (0010) – This fund is used by the department for operations, administration, enforcement, accounting costs and related liabilities for the fund. Revenue includes fees from motor vehicle registration, title certificates, special vehicle permits, specialty license plates and other transportation-related permits. This fund was initially enacted by H.B. 2202, 83<sup>rd</sup> Legislature; however, it was not exempted from funds consolidation. The 84<sup>th</sup> Legislature recreated the fund through S.B. 1512, and it was exempted in funds consolidation.

### **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. TxDMV has no funds that meet the new criteria for fiduciary activity as established in GASB 84 for Fiscal Year 2020.

### **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 an 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.

### Other Intergovernmental Payable

Other Intergovernmental Payable represents a liability that becomes due every month due to the International Registration Plan netting process. Each month, the TxDMV either owes or receives money from the Plan, which is a registration reciprocity agreement among states of the United States and provinces of Canada providing for payment of license fees on the basis of total distance operated in all jurisdictions.

## 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.

Committed fund balance can only be used for specific purposes pursuant to constraints imposed by formal action of the State's highest level of decision-making authority (the Legislature). Those committed amounts cannot be used for any other purposes unless the Legislature removes or changes the specified use by taking the same action it employed to previously commit those amounts.

Assigned fund balance amounts are constrained by the agency's intent to use them for specific purposes that are neither restricted nor committed.

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 in the reimbursed fund. Reimbursements are not displayed in the financial statements.

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, 2021, is presented below:

Governmental Activities	PRIMARY GOVERNMENT					
	Balance 09/01/20	Adjust/ Restate	Reclass	Additions	Deletions	Balance 08/31/21
Non-Depreciable Assets	\$	\$	\$	\$	\$	\$
<b>Total Non-Depreciable Assets</b>						
Depreciable Assets						
Buildings/Building Improvements						
Furniture and Equipment	4,882,842.05			234,546.00	(100,827.85)	5,016,560.20
Vehicles, Boats, & Aircraft	1,341,696.18			90,863.98	(96,162.00)	1,336,398.16
Other Assets						
<b>Total Depreciable Assets</b>	<b>6,224,538.23</b>			<b>325,409.98</b>	<b>(196,989.85)</b>	<b>6,352,958.36</b>
Less Accumulated Depreciation for:						
Buildings/Building Improvements						
Furniture and Equipment	(3,801,194.13)			(362,982.97)	100,827.85	(4,063,349.25)
Vehicles, Boats, & Aircraft	(549,924.03)			(150,180.52)	75,078.55	(625,026.00)
Other Capital Assets						
<b>Total Accumulated Depreciation</b>	<b>(4,351,118.16)</b>			<b>(513,163.49)</b>	<b>175,906.40</b>	<b>(4,688,375.25)</b>
<b>Depreciable Assets, Net</b>	<b>1,873,420.07</b>			<b>(187,753.51)</b>	<b>(21,083.45)</b>	<b>1,664,583.11</b>
Amortizable Assets – Intangible:						
Land Use Rights						
Computer Software	3,875,591.07					3,875,591.07
Other Capital Intangible						
<b>Total Amortizable Assets – Intangible</b>	<b>3,875,591.07</b>					<b>3,875,591.07</b>
Less Accumulated Amortization for:						
Land Use Rights						
Computer Software	(3,826,407.16)			(37,964.95)		(3,864,372.11)
Other Capital Intangible						
<b>Total Accumulated Amortization</b>	<b>(3,826,407.16)</b>			<b>(37,964.95)</b>		<b>(3,864,372.11)</b>
<b>Amortizable Assets –Intangible, Net</b>	<b>49,183.91</b>			<b>(37,964.95)</b>		<b>11,218.96</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 1,922,603.98</b>			<b>(225,718.46)</b>	<b>(21,083.45)</b>	<b>\$ 1,675,802.07</b>

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

As of August 31, 2021, the carrying amount of deposits was \$20,000.00 as presented below:

	<b>Amount</b>
Cash in Bank – Carrying Amount	\$ 20,000.00
<b>Total Cash in Bank (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, 2021, the following changes occurred in liabilities.

<b>Governmental Activities</b>	<b>Balance 9/01/20</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance 8/31/21</b>	<b>Amounts Due Within Year</b>
Compensable Leave	\$4,907,424.78	\$4,894,950.85	\$4,817,245.47	\$4,985,130.16	\$3,180,438.44

**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:

<b>Fund Type</b>	<b>Amount</b>
Fund 0001	\$ 4,216.28
Fund 0010	\$ 933,850.90

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

<b>Year Ended August 31,</b>	
2022	\$ 883,822.65
2023	715,285.69
2024	453,472.53
2025	324,308.31
2026	140,449.38
2027	108,475.58
<b>Total Minimum Future Lease Rental Payments</b>	<b>\$ 3,563,881.32</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, 2021, are as follows:

	Transfer In	Transfer Out	Source
<b>General Revenue (01)</b>			
Appd Fund 0802, D23 fund 0802			
Agy 300, D23 fund 0803	(8,204.94)	59,642.43	Shared Fund
Agy 300, D23 fund 0804	14,979.84		Shared Fund
Agy 300, D23 fund 0805		1,037.98	Shared Fund
Agy 300, D23 fund 0807		(134.44)	Shared Fund
Agy 300, D23 fund 0808	44.00		Shared Fund
Agy 302, D23 fund 0804	(1,861.43)	11,008.96	Shared Fund
Agy 302, D23 fund 0805		2,910.45	Shared Fund
Agy 305, D23 fund 0015	12,114.75	(930.95)	Shared Fund
Agy 306, D23 fund 0802	2,120.95		Shared Fund
Agy 307, D23 fund 0802	819.48		Shared Fund
Agy 332, D23 fund 0802		(300.21)	Shared Fund
Agy 403, D23 fund 3005	(57.51)		Shared Fund
Agy 403, D23 fund 3006	95.01	(45.39)	Shared Fund
Agy 403, D23 fund 3008	(4,188.86)		Shared Fund
Agy 407, D23 fund 0802	19.18		Shared Fund
Agy 411, D23 fund 0802	3,124.81	(258.13)	Shared Fund
Agy 506, D23 fund 0802	1,713.82		Shared Fund
Agy 529, D23 fund 0802	2,995.38	13,500.00	Shared Fund
Agy 530, D23 fund 0802		(222.92)	Shared Fund
Agy 537, D23 fund 0802	5,390.53		Shared Fund
Agy 537, D23 fund 0803	59,859.68	5,741.04	Shared Fund
Agy 537, D23 fund 0804	1,096.44		Shared Fund
Agy 537, D23 fund 0805	3,534.32		Shared Fund
Agy 542, D23 fund 4100	4,217.20		Shared Fund
Agy 542, D23 fund 4200	5,149.54		Shared Fund
Agy 551, D23 fund 0802	(29,751.70)		Shared Fund
Agy 555, D23 fund 1802	(2,431.64)	1,941.46	Shared Fund
Agy 555, D23 fund 2802	5,754.37	(279.35)	Shared Fund
Agy 555, D23 fund 3802	701.27		Shared Fund
Agy 555, D23 fund 4802	6,111.57		Shared Fund
Agy 576, D23 fund 0802	1,109.72		Shared Fund
Agy 582, D23 fund 0802	1,172.48		Shared Fund
Agy 701, D23 fund 2242	(650.41)	(651.32)	Shared Fund
Agy 701, D23 fund 2250	(7,920.46)	(7,922.14)	Shared Fund
Agy 701, D23 fund 2260	(5.62)	(5.62)	Shared Fund
Agy 701, D23 fund 2270	(1,150.88)	(1,153.22)	Shared Fund
Agy 701, D23 fund 2271	(736.40)	(738.14)	Shared Fund
Agy 701, D23 fund 2273	(1,174.47)	(1,178.66)	Shared Fund
Agy 701, D23 fund 2274	(1,104.72)	(1,127.67)	Shared Fund

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	Transfer In	Transfer Out	Source
Agy 711, D23 fund 0802	91,960.38	126,254.48	Shared Fund
Agy 714, D23 fund 0802		(6,237.23)	Shared Fund
Agy 715, D23 fund 0802		5,707.07	Shared Fund
Agy 717, D23 fund 0802	4,399.58		Shared Fund
Agy 718, D23 fund 0802	16,884.25	31,658.67	Shared Fund
Agy 721, D23 fund 0802	162,763.80		Shared Fund
Agy 724, D23 fund 0802	(3,814.61)	51,234.29	Shared Fund
Agy 730, D23 fund 0802	4,860.47	(82.55)	Shared Fund
Agy 732, D23 fund 0802	695.90		Shared Fund
Agy 733, D23 fund 0802	3,686.56		Shared Fund
Agy 734, D23 fund 0802	3.57		Shared Fund
Agy 737, D23 fund 0802	1,093.63		Shared Fund
Agy 738, D23 fund 0802	1,772.54		Shared Fund
Agy 746, D23 fund 0802	883.66		Shared Fund
Agy 751, D23 fund 0802	1,172.76		Shared Fund
Agy 752, D23 fund 0802		66,335.19	Shared Fund
Agy 753, D23 fund 0802	259.83	(2,131.77)	Shared Fund
Agy 754, D23 fund 0802		22,879.33	Shared Fund
Agy 755, D23 fund 0802	(570.11)	1,181.37	Shared Fund
Agy 756, D23 fund 0802	1,240.38		Shared Fund
Agy 757, D23 fund 0802		1,418.07	Shared Fund
Agy 759, D23 fund 0802		229.23	Shared Fund
Agy 765, D23 fund 0802		981.71	Shared Fund
Agy 781, D23 fund 4003	170.43		Shared Fund
Agy 781, D23 fund 4004	(152.59)		Shared Fund
Agy 781, D23 fund 4005	(250.20)		Shared Fund
Agy 781, D23 fund 4006	(22.19)		Shared Fund
Agy 781, D23 fund 4007	(238.70)		Shared Fund
Agy 781, D23 fund 4008	(23,815.93)		Shared Fund
Agy 781, D23 fund 4009	(14,039.49)		Shared Fund
Agy 781, D23 fund 4010	1.83		Shared Fund
Agy 781, D23 fund 4011	(1,153.21)		Shared Fund
Agy 781, D23 fund 4012	(336.40)		Shared Fund
Agy 781, D23 fund 4013	(68.10)		Shared Fund
Agy 781, D23 fund 4014	(372.78)		Shared Fund
Agy 781, D23 fund 4015	(22.11)		Shared Fund
Agy 781, D23 fund 4016	(114.09)		Shared Fund
Agy 781, D23 fund 4017	(295.66)		Shared Fund
Agy 781, D23 fund 4018	(157.87)		Shared Fund
Agy 781, D23 fund 4019	(178.09)		Shared Fund
Agy 781, D23 fund 4020	91.66		Shared Fund
Agy 781, D23 fund 4021	42.16		Shared Fund
Agy 781, D23 fund 4022	41.86		Shared Fund
Agy 781, D23 fund 4023	(23.84)		Shared Fund
Agy 781, D23 fund 4025	22.00		Shared Fund
Agy 781, D23 fund 4026	6,797.89		Shared Fund
Agy 783, D23 fund 0802	1,293.67	(200.76)	Shared Fund

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	Transfer In	Transfer Out	Source
Agy 802, D23 fund 3030		(31,501.04)	Shared Fund
Agy 802, D23 fund 3042	13,670.93	367.87	Shared Fund
Agy 802, D23 fund 3043		(55,092.62)	Shared Fund
Agy 802, D23 fund 3044	66,148.10	10,313.63	Shared Fund
Agy 802, D23 fund 3045		(72,006.66)	Shared Fund
Agy 802, D23 fund 3046	(12,846.83)	25,087.25	Shared Fund
Agy 802, D23 fund 3047		2,118.31	Shared Fund
Agy 802, D23 fund 3048	13,514.37	(16,326.77)	Shared Fund
Agy 802, D23 fund 3049	3,260.69	21,006.16	Shared Fund
Agy 802, D23 fund 3050	(2,505.93)	11,461.45	Shared Fund
Agy 802, D23 fund 3051	1,908.28	33.40	Shared Fund
Agy 802, D23 fund 3057	511.10	(1,975.83)	Shared Fund
Agy 802, D23 fund 3116		3.05	Shared Fund
Agy 802, D23 fund 3120		(8,786.37)	Shared Fund
Agy 802, D23 fund 3142	3,883.87	(1,288.32)	Shared Fund
Agy 802, D23 fund 3151	1,700.16	5,304.46	Shared Fund
Agy 802, D23 fund 3152		4,868.11	Shared Fund
Agy 802, D23 fund 3153	2,158.01	(.30)	Shared Fund
Agy 802, D23 fund 3154	1,631.99	(.30)	Shared Fund
Agy 808, D23 fund 0802	723.05		Shared Fund
Agy 813, D23 fund 0802	82,624.49		Shared Fund
Agy 902, D23 fund 8020	1,017.72		Shared Fund
Appd Fund 0001, D23 fund 0001			
Agy 902, D23 fund 0001		5,122.76	Surplus Property
<b>Total Transfer In/Out Other Agencies</b>	<b>504,798.14</b>	<b>278,769.50</b>	
<b>Special Revenue (02)</b>			
Appd Fund 0006, D23 fund 0006			
Agy 601, D23 fund 0006		1,692,572,976.77	Shared Cash
Appd Fund 0006, D23 fund 0006			
Agy 454, D23 fund 0006	4,419,961.47		TexasSure
<b>Total Transfers In/Out</b>	<b>4,924,759.61</b>	<b>1,692,851,746.27</b>	

	Due from Other Agencies	Due to Other Agencies	Source
<b>General Revenue (01)</b>			
Appd Fund 0001, D23 fund 0001			
Agy 711, D23 fund 0001		7,500.00	State Pass-Through
Appd Fund 0802, D23 fund 0802			
Agy 302, D23 fund 0804		534.27	Shared Fund
Agy 529, D23 fund 0802		13,500.00	Shared Fund
Agy 537, D23 fund 0803		5,741.04	Shared Fund
Agy 701, D23 fund 2242		961.00	Shared Fund
Agy 701, D23 fund 2250		2,590.21	Shared Fund
Agy 701, D23 fund 2260		44.00	Shared Fund
Agy 701, D23 fund 2270		2,530.71	Shared Fund
Agy 701, D23 fund 2271		1,734.80	Shared Fund



	Due from Other Agencies	Due to Other Agencies	Source
Agy 701, D23 fund 2273		4,833.36	Shared Fund
Agy 701, D23 fund 2274		3,467.61	Shared Fund
Agy 711, D23 fund 0802		126,254.48	Shared Fund
Agy 718, D23 fund 0802		31,658.67	Shared Fund
Agy 802, D23 fund 3030		(1.61)	Shared Fund
Agy 802, D23 fund 3042		367.87	Shared Fund
Agy 802, D23 fund 3043		(11,831.04)	Shared Fund
Agy 802, D23 fund 3044		10,313.63	Shared Fund
Agy 802, D23 fund 3045		1,664.06	Shared Fund
Agy 802, D23 fund 3046		25,087.25	Shared Fund
Agy 802, D23 fund 3047		5,255.03	Shared Fund
Agy 802, D23 fund 3048		6,515.87	Shared Fund
Agy 802, D23 fund 3049		21,006.16	Shared Fund
Agy 802, D23 fund 3050		11,461.45	Shared Fund
Agy 802, D23 fund 3051		33.40	Shared Fund
Agy 802, D23 fund 3057		14.77	Shared Fund
Agy 802, D23 fund 3116		6,261.17	Shared Fund
Agy 802, D23 fund 3120		10.55	Shared Fund
Agy 802, D23 fund 3142		3.28	Shared Fund
Agy 802, D23 fund 3151		5,304.46	Shared Fund
Agy 802, D23 fund 3152		4,608.25	Shared Fund
Agy 802, D23 fund 3153		(.30)	Shared Fund
Agy 802, D23 fund 3154		(.30)	Shared Fund
<b>Total Due From/ To Other Agencies</b>		<b>287,424.10</b>	
<b>Special Revenue (02)</b>			
Appd Fund 0006, D23 fund 0006			
Agy 454, D23 fund 0006	4,982,912.54		TexasSure
<b>Total Due From/ To Other Agencies</b>	<b>4,982,912.54</b>		

**NOTE 13: CONTINUANCE SUBJECT TO REVIEW**

Under the Texas Sunset Act, the agency will be abolished effective September 1, 2031, unless continued in existence by the Legislature as provided by the Act. If abolished, the agency may continue until September 1, 2032, to close out its operations.

**NOTE 14: ADJUSTMENTS TO FUND BALANCES AND NET POSITION**

During Fiscal Year 2021, a net increase in the amount of \$2,603,850.02 was made to Consumable Inventories. This adjustment was necessary due to a postage meter balance as of 8/31/20 that was not previously recorded.

**Fund Balance for 2020**

	Special Revenue Funds (Fund 0010)	Total
Total Fund Balance, Aug. 31, 2020	\$293,823,146.21	\$293,823,146.21
Current Year's Restatements	2,603,850.02	2,603,850.02
Change in Net Position Aug. 31, 2020 as Restated	\$296,426,996.23	\$296,426,996.23

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

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

**Encumbrances**

As of August 31, 2021, the TxDMV had encumbered the following amounts in governmental funds for signed contracts and purchase orders:

	General Revenue Fund (0001)	Special Revenue Fund (0006)	Texas Department of Motor Vehicle Fund (0010)
Encumbrances	\$ 4,833,726.19	\$ 0.00	\$ 6,550,401.24

**NOTE 16: SUBSEQUENT EVENTS**

Not Applicable

**NOTE 17: RISK MANAGEMENT**

Not Applicable

**NOTE 18: MANAGEMENT DISCUSSION AND ANALYSIS**

The Texas Department of Motor Vehicles (TxDMV) is self-supporting and funds most of its expenditures through revenues deposited to the TxDMV Fund 0010. The Motor Vehicle Crime Prevention Authority (MVCPA) is fully funded through fees deposited to the General Revenue Fund (0001).

FY 2021 revenues for all funds totaled \$1.86 billion. This represents an increase of \$123.49 million or 7.1% compared to FY 2020 revenues of \$1.74 billion. Of the FY 2021 amount, \$1.69 billion was deposited into the State Highway Fund, \$159.34 million was deposited into the TxDMV Fund and \$11.79 million was deposited to General Revenue for use by MVCPA. The increase in overall revenue is primarily attributable to an increase in registration-related collections. An FY 2020 executive order from the governor allowed customers to defer their registration renewals starting in mid-March 2020; the deferral allowance ended in mid-April 2021. Customers who chose to defer their FY 2020 registration renewals paid both their FY 2020 and FY 2021 renewals in FY 2021.

Although certain title-fee revenues in FY 2021 were higher than in FY 2020 (due to increased vehicle sales), this increase was offset by the continued waiver into FY 2021 of delinquent title transfer penalties; the waiver of this fee ended in mid-April 2021. Motor-carrier oversize/overweight permit revenue experienced a drop compared to FY 2020 due to decreased activity in the oil-and-gas sector and a shortage of drivers in the industry. Permit issuance increased in the last several months of FY 2021 and is expected to continue as the economy recovers and oil prices increase.

In FY 2021, Capital Budget Expenditures totaled \$23.1 million, primarily consisting of expenditures for the Data Center Consolidation services (\$13.0 million); TxDMV Automation project (\$5.0 million); and County Technology Replacement & Upgrades (\$4.0 million). Other capital expenditures (\$1.1 million) were for Agency Growth & Enhancement, Replacement Vehicles, Personal Computer (PC) Replacement, Cybersecurity, and Consumer Protection & Tracking.

FY 2021 expenditures totaled \$169.97 million, an increase of \$17.67 million, or 11.6% compared to FY 2020 expenditures of \$152.30 million. The primary factors contributing to the increase include 1) an increase in My Plates vendor commissions of \$3.4 million; 2) an increase in Capital appropriation expenses of \$5.0 million, primarily driven by the implementation of projects originally funded in FY 2020 and the addition of new projects in FY 2021; 3) an increase in postage expenditures of approximately \$3.4 million for Vehicle Titles and Registration to cover postal rate increases and anticipated mailing costs; 4) increased salary and benefit costs of approximately \$2.0 million due to improved staffing and lower vacancies as compared to FY 2020; and 5) increased costs in Professional Fees of \$2.0 million for one-time service contracts in the Information Technology and Motor Carrier Divisions.

In FY 2021 TxDMV expended a total of \$2.0 million in response to COVID-19. The expenditures were primarily for staff time, temporary support for customer services provided by the Consumer Relations Division, and facility activities such as cleaning and defogging services and the installation of plexiglass.

**NOTE 19: THE FINANCIAL REPORTING ENTITY**

Not Applicable

**NOTE 20: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Not Applicable

**NOTE 21:**

Not Applicable

**NOTE 22: DONOR RESTRICTED ENDOWMENTS**

Not Applicable

**NOTE 23: EXTRAORDINARY AND SPECIAL ITEMS**

Not Applicable

**NOTE 24: DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES**

Not Applicable

**NOTE 25: TERMINATION BENEFITS**

Not Applicable

**NOTE 26: SEGMENT INFORMATION**

Not Applicable

**NOTE 27: SERVICE CONCESSION ARRANGEMENTS**

Not Applicable

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

Not Applicable

**NOTE 29: TROUBLE DEBT RESTRUCTURING**

Not Applicable

**NOTE 30: NON-EXCHANGE FINANCIAL GUARANTEES**

Not Applicable

**NOTE 31: TAX ABATEMENTS**

Not Applicable

**NOTE 32: FUND BALANCES**

GAAP Fund	Fund	AFR 54 Class	Amount	Citation	Purpose
0010	0010	Restricted	\$157,853,712.17	TEXAS TRANSPORTATION CODE ANNOTATED SECTION 1001.151, 1001.152	Used by the department for operations, administration, enforcement, accounting costs and related liabilities for the fund. Revenue includes fees from motor vehicle registration, title certificates, special vehicle permits, specialty license plates and other transportation-related permits.
0010	0900	Restricted	\$0.00	TEXAS GOVERNMENT CODE ANNOTATED SECTION 403.035	To provide a temporary depository for money held in suspense pending final disposition. Items held in the fund are cleared to the various Special Funds or the General Revenue Fund, or refunded to the payer.

## **COMBINING FINANCIAL STATEMENTS**

-UNAUDITED-

**EXHIBIT A-1**  
**COMBINING BALANCE SHEET**  
**All General and Consolidated Funds**  
**For the Year Ended August 31, 2021**

	General Revenue Account (0001)	License Plate Trust Fund Account (0802)	Returned Items Type Activities Account (9001)	Deposit Default Type Activities Account (9000)
<b>Assets</b>				
Current Assets:				
Cash on Hand	\$	\$	\$	\$
Cash in Bank				
Cash in State Treasury	11,929.20	4,335,384.24	(11,929.20)	
Legislative Appropriations	13,271,530.57			
Receivables:				
Federal				
Accounts Receivable				
Due From Other Funds (Note 12)				
Due From Other Agencies (Note 12)				
Consumable Inventories				
<b>Total Current Assets</b>	<u><u>13,283,459.77</u></u>	<u><u>4,335,384.24</u></u>	<u><u>(11,929.20)</u></u>	<u><u>0.00</u></u>
<b>Liabilities</b>				
Current Liabilities				
Payables:				
Vouchers Payable	18,255.80			
Account Payable	3,049,258.09			
Payroll Payable	43,356.97			
Due to Other Funds (Note 12)				
Due to Other Agencies (Note 12)	7,500.00	279,924.10		
Other Intergovernmental Payable	(158,935.76)			
<b>Total Current Liabilities</b>	<u><u>2,959,435.10</u></u>	<u><u>279,924.10</u></u>	<u><u>0.00</u></u>	<u><u>0.00</u></u>
<b>Fund Balances</b>				
Non Spendable (Inventory)				
Restricted				
Committed		3,999,521.68		
Assigned				
Unassigned	10,324,024.67	55,938.46	(11,929.20)	
<b>Total Fund Balance</b>	<u><u>10,324,024.67</u></u>	<u><u>4,055,460.14</u></u>	<u><u>(11,929.20)</u></u>	<u><u>0.00</u></u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 13,283,459.77</u></u>	<u><u>\$ 4,335,384.24</u></u>	<u><u>\$ (11,929.20)</u></u>	<u><u>\$ 0.00</u></u>

-UNAUDITED-

**EXHIBIT A-1 (CONTINUED)**  
**COMBINING BALANCE SHEET**  
**All General and Consolidated Funds**  
**For the Year Ended August 31, 2021**

	<u>Suspense Type Activities Account (0900)</u>	<u>Intermodal Container &amp; Milk Transport Account (1623)</u>	<u>Proportional Registration Distributive Fund Account (0021)</u>	<u>Child Support Employee Deduction Account (8070)</u>	<u>Total</u>
<b>Assets</b>					
Current Assets:					
Cash on Hand	\$	\$	\$	\$	\$ 0.00
Cash in Bank					0.00
Cash in State Treasury	608,954.98	261,231.63	26,612,206.25	4,186.00	31,821,963.10
Legislative Appropriations					13,271,530.57
Receivables:					0.00
Federal					0.00
Accounts Receivable					0.00
Due From Other Funds (Note 12)					0.00
Due From Other Agencies (Note 12)					0.00
Consumable Inventories					0.00
<b>Total Current Assets</b>	<u>608,954.98</u>	<u>261,231.63</u>	<u>26,612,206.25</u>	<u>4,186.00</u>	<u>45,093,493.67</u>
<b>Liabilities</b>					
Current Liabilities					
Payables:					
Vouchers Payable	546,807.01				565,062.81
Account Payable					3,049,258.09
Payroll Payable				4,706.00	48,062.97
Due to Other Funds (Note 12)					0.00
Due to Other Agencies (Note 12)					287,424.10
Other Intergovernmental Payable	(32,671.11)	249,709.23	5,303,716.96	(520.00)	5,361,299.32
<b>Total Current Liabilities</b>	<u>514,135.90</u>	<u>249,709.23</u>	<u>5,303,716.96</u>	<u>4,186.00</u>	<u>9,311,107.29</u>
<b>Fund Balances</b>					
Non Spendable (Inventory)					0.00
Restricted					0.00
Committed					3,999,521.68
Assigned					0.00
Unassigned	94,819.08	11,522.40	21,308,489.29		31,782,864.70
<b>Total Fund Balance</b>	<u>94,819.08</u>	<u>11,522.40</u>	<u>21,308,489.29</u>	<u>0.00</u>	<u>35,782,386.38</u>
<b>Total Liabilities and Fund Balances</b>	\$ <u>608,954.98</u>	\$ <u>261,231.63</u>	\$ <u>26,612,206.25</u>	\$ <u>4,186.00</u>	\$ <u>45,093,493.67</u>



-UNAUDITED-

**EXHIBIT B-1  
COMBINING BALANCE SHEET  
Special Revenue Funds  
For Fiscal Year Ended August 31, 2021**

	State Highway Fund (0006)	Texas Department of Motor Vehicles Fund (0010)	Suspense Type Activities Fund (0900)	Total
<b>Assets</b>				
Current Assets:				
Cash on Hand	\$	\$ 37,100.00	\$	\$ 37,100.00
Cash in Bank		20,000.00		20,000.00
Cash in State Treasury		165,493,500.42		165,493,500.42
Legislative Appropriations				0.00
Receivables:				
Federal				0.00
Accounts Receivable	129,778,271.66	3,390,400.73		133,168,672.39
Due From Other Funds (Note 12)				0.00
Due From Other Agencies (Note 12)	4,982,912.54			4,982,912.54
Consumable Inventories		3,412,422.94		3,412,422.94
<b>Total Current Assets</b>	<b>134,761,184.20</b>	<b>172,353,424.09</b>	<b>0.00</b>	<b>307,114,608.29</b>
<b>Liabilities</b>				
Current Liabilities				
Payables:				
Vouchers Payable		1,695,176.04		1,695,176.04
Account Payable		4,551,886.09		4,551,886.09
Payroll Payable		4,840,226.85		4,840,226.85
Due to Other Funds (Note 12)				0.00
Due to Other Agencies (Note 12)				0.00
<b>Total Current Liabilities</b>	<b>0.00</b>	<b>11,087,288.98</b>	<b>0.00</b>	<b>11,087,288.98</b>
<b>Fund Balances</b>				
Non Spendable (Inventory)		3,412,422.94		3,412,422.94
Restricted	134,761,184.20	157,853,712.17		292,614,896.37
Committed				0.00
Assigned				0.00
Unassigned				0.00
<b>Total Fund Balance</b>	<b>134,761,184.20</b>	<b>161,266,135.11</b>	<b>0.00</b>	<b>296,027,319.31</b>
<b>Total Fund Balance as Restated</b>	<b>134,761,184.20</b>	<b>161,266,135.11</b>	<b>0.00</b>	<b>296,027,319.31</b>
<b>Total Liabilities and Fund Balances</b>	\$ <b>134,761,184.20</b>	\$ <b>172,353,424.09</b>	\$ <b>0.00</b>	\$ <b>307,114,608.29</b>

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**EXHIBIT A-2**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES**  
**All General and Consolidated Funds**  
**For the Year Ended August 31, 2021**

	General Revenue Account (0001)	License Plate Trust Fund Account (0802)	Returned Items Type Activities Account (9001)	Suspense Type Activities Account (0900)
<b>Revenues</b>				
Legislative Appropriations:				
Original Appropriations	\$ 11,830,297.00			
Additional Appropriations	81,865.93			
Federal Pass-Through				
State Grant Pass -Through				
Licenses, Fees and Permits		(177,160.01)		
Interest & Investment Income		1,947.07		
Settlement of Claims				
Sales of Goods and Services				
Other Revenues			3,985.71	(106,159.99)
<b>Total Revenues</b>	<b>11,912,162.93</b>	<b>(175,212.94)</b>	<b>3,985.71</b>	<b>(106,159.99)</b>
<b>Expenditures</b>				
Salaries and Wages	342,547.46			
Payroll Related Costs	86,503.03			
Professional Fees and Services	2,809,509.10			
Travel	4,445.91			
Materials and Supplies	98,007.42			
Communications and Utilities	2,118.42			
Repairs and Maintenance	24,760.80			
Rentals and Leases	3,616.45			
Printing and Reproduction				
Claims and Judgements				
Federal Pass-Through Expenditures				
State Grant Pass-Through Expenditures	30,000.00			
Intergovernmental Payments	12,464,532.35			
Public Assistance Payments				
Other Operating Expenditures	15,168.15			
Capital Outlay				
<b>Total Expenditures</b>	<b>15,881,209.09</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Excess (Deficit) of Revenues over Expenditures	(3,969,046.16)	(175,212.94)	3,985.71	(106,159.99)
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In (Note 12)		504,798.14		
Operating Transfers Out (Note 12)	(5,122.76)	(273,646.74)		
Insurance Recoveries				
Sale of Capital Assets	5,122.76			
Legislative Financing Sources				
Legislative Financing Uses				
Legislative Transfers In (Note 12)				
Legislative Transfers Out (Note 12)				
<b>Total Other Financing Sources (Uses)</b>	<b>0.00</b>	<b>231,151.40</b>	<b>0.00</b>	<b>0.00</b>
Excess (Deficit) of Revenues and other Sources				
Over Expenditures and Other Uses	(3,969,046.16)	55,938.46	3,985.71	(106,159.99)
<b>Fund Balance - Beginning</b>	<b>14,688,840.13</b>	<b>3,999,521.68</b>	<b>(15,914.91)</b>	<b>200,979.07</b>
Restatements (Note 14)				
<b>Fund Balance As Restated</b>	<b>\$ 14,688,840.13</b>	<b>3,999,521.68</b>	<b>(15,914.91)</b>	<b>200,979.07</b>
Appropriations Lapsed	(554,705.06)			
<b>Fund Balance - Ending</b>	<b>10,165,088.91</b>	<b>\$ 4,055,460.14</b>	<b>\$ (11,929.20)</b>	<b>\$ 94,819.08</b>

-UNAUDITED-

**EXHIBIT A-2 (CONTINUED)**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES**  
**All General and Consolidated Funds**  
**For the Year Ended August 31, 2021**

	Intermodal Container & Milk Transport Account (1623)	Proportional Registration Distributive Fund Account (0021)	General Revenue Fund- Agency Funds Account (1001)	Total
<b>Revenues</b>				
Legislative Appropriations:				
Original Appropriations	\$	\$	\$	\$ 11,830,297.00
Additional Appropriations				81,865.93
Federal Pass-Through				0.00
State Grant Pass -Through				0.00
Licenses, Fees and Permits			158,935.76	(18,224.25)
Interest & Investment Income				1,947.07
Settlement of Claims				0.00
Sales of Goods and Services				0.00
Other Revenues				(102,174.28)
<b>Total Revenues</b>	<b>0.00</b>	<b>0.00</b>	<b>158,935.76</b>	<b>11,793,711.47</b>
<b>Expenditures</b>				
Salaries and Wages				342,547.46
Payroll Related Costs				86,503.03
Professional Fees and Services				2,809,509.10
Travel				4,445.91
Materials and Supplies				98,007.42
Communications and Utilities				2,118.42
Repairs and Maintenance				24,760.80
Rentals and Leases				3,616.45
Printing and Reproduction				0.00
Claims and Judgements				0.00
Federal Pass-Through Expenditures				0.00
State Grant Pass-Through Expenditures				30,000.00
Intergovernmental Payments				12,464,532.35
Public Assistance Payments				0.00
Other Operating Expenditures		3,224,646.86		3,239,815.01
Capital Outlay				0.00
<b>Total Expenditures</b>	<b>0.00</b>	<b>3,224,646.86</b>	<b>0.00</b>	<b>19,105,855.95</b>
Excess (Deficit) of Revenues over Expenditures	0.00	(3,224,646.86)	158,935.76	(7,312,144.48)
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In (Note 12)				504,798.14
Operating Transfers Out (Note 12)				(278,769.50)
Insurance Recoveries				0.00
Sale of Capital Assets				5,122.76
Legislative Financing Sources				0.00
Legislative Financing Uses				0.00
Legislative Transfers In (Note 12)				0.00
Legislative Transfers Out (Note 12)				0.00
<b>Total Other Financing Sources (Uses)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>231,151.40</b>
Excess (Deficit) of Revenues and other Sources				0.00
Over Expenditures and Other Uses	0.00	(3,224,646.86)	158,935.76	(7,080,993.08)
				0.00
<b>Fund Balance - Beginning</b>	<b>11,522.40</b>	<b>24,533,136.15</b>	<b>0.00</b>	<b>43,418,084.52</b>
Restatements (Note 14)				
<b>Fund Balance As Restated</b>	<b>11,522.40</b>	<b>24,533,136.15</b>	<b>0.00</b>	<b>43,418,084.52</b>
Appropriations Lapsed				(554,705.06)
<b>Fund Balance - Ending</b>	<b>\$ 11,522.40</b>	<b>\$ 21,308,489.29</b>	<b>\$ 158,935.76</b>	<b>\$ 35,782,386.38</b>

-UNAUDITED-

**EXHIBIT B-2  
COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
Special Revenue Funds  
For the Year Ended August 31, 2021**

	State Highway Fund (0006)	Texas Department of Motor Vehicles Fund (0010)	Suspense Type Activities Account (0900)	Totals
<b>Revenues</b>				
Legislative Appropriations:				
Original Appropriations	\$	\$	\$	\$ 0.00
Additional Appropriations				0.00
Federal Revenues		681,343.86		681,343.86
Federal Pass-Through				0.00
State Grant Pass -Through				0.00
Licenses, Fees and Permits	1,692,502,910.84	157,896,580.39		1,850,399,491.23
Interest & Investment Income		724,173.09		724,173.09
Settlement of Claims				0.00
Sales of Goods and Services				0.00
Other Revenues	11,387.30	39,205.54		50,592.84
<b>Total Revenues</b>	<b>1,692,514,298.14</b>	<b>159,341,302.88</b>	<b>0.00</b>	<b>1,851,855,601.02</b>
<b>Expenditures</b>				
Salaries and Wages		42,439,357.60		42,439,357.60
Payroll Related Costs		15,608,855.68		15,608,855.68
Professional Fees and Services		21,626,462.57		21,626,462.57
Travel		45,584.92		45,584.92
Materials and Supplies		19,233,030.14		19,233,030.14
Communications and Utilities		5,162,328.11		5,162,328.11
Repairs and Maintenance		2,836,549.73		2,836,549.73
Rentals and Leases		984,515.05		984,515.05
Printing and Reproduction		4,385,272.04		4,385,272.04
Claims and Judgements				0.00
Federal Pass-Through Expenditures				0.00
State Grant Pass-Through Expenditures				0.00
Intergovernmental Payments				0.00
Public Assistance Programs				0.00
Other Operating Expenditures		37,915,369.19		37,915,369.19
Capital Outlay		325,409.98		325,409.98
<b>Total Expenditures</b>	<b>0.00</b>	<b>150,562,735.01</b>	<b>0.00</b>	<b>150,562,735.01</b>
Excess (Deficit) of Revenues over Expenditures	1,692,514,298.14	8,778,567.87	0.00	1,701,292,866.01
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In (Note 12)	4,419,961.47			4,419,961.47
Operating Transfers Out (Note 12)	(1,692,572,976.77)			(1,692,572,976.77)
Sale of Capital Assets		1,707.59		1,707.59
Legislative Financing Sources				0.00
Insurance Recoveries		14,883.00		14,883.00
Legislative Transfers In (Note 12)				0.00
Legislative Transfers Out (Note 12)				0.00
<b>Total Other Financing Sources (Uses)</b>	<b>(1,688,153,015.30)</b>	<b>16,590.59</b>	<b>0.00</b>	<b>(1,688,136,424.71)</b>
Excess (Deficit) of Revenues and other Sources Over Expenditures and Other Uses	4,361,282.84	8,795,158.46	0.00	13,156,441.30
<b>Fund Balance - Beginning</b>	<b>130,399,901.36</b>	<b>149,867,126.63</b>		<b>280,267,027.99</b>
Restatements (Note 14)		2,603,850.02		2,603,850.02
<b>Fund Balance As Restated</b>	<b>130,399,901.36</b>	<b>152,470,976.65</b>	<b>0.00</b>	<b>282,870,878.01</b>
Appropriations Lapsed				0.00
<b>Fund Balance - Ending</b>	<b>\$ 134,761,184.20</b>	<b>\$ 161,266,135.11</b>	<b>\$ 0.00</b>	<b>\$ 296,027,319.31</b>

## **SCHEDULES**

-UNAUDITED-

**SCHEDULE 1A**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Fiscal Year Ended August 31, 2021**

Federal Grantor/ Pass-Through Grantor/ Program Title	Pass-Through From			
	CFDA Number	Agency Number	State Agency or University Amount	Non-State Entities Amount
<b>U.S. Department of Transportation</b>				
<u>Direct Programs:</u>				
Motor Carrier Safety Assistance High Priority Activities	20.237			
<b>Total</b>			<u>0.00</u>	<u>0.00</u>
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>			<u><u>0.00</u></u>	<u><u>0.00</u></u>

**Note 2 - Reconciliation**

Per Combined Statement of Revenues, Expenditures and Changes in Fund Balance (Governmental Fund Types)

Exhibit II

Federal Revenues	\$ 681,343.86
Federal Pass-Through Revenues	<u>0.00</u>
<b>Total</b>	<u><u>\$ 681,343.86</u></u>

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SCHEDULE 1A (CONTINUED)  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Fiscal Year Ended August 31, 2021

Direct Program Amount	Total Pass Through From & Direct Program	Pass-Through To		Expenditure Amount	Total Pass Through To & Expenditures
		Agency Number	State Agency or University Amount		
\$ 681,343.86	\$ 681,343.86			\$ 681,343.86	\$ 681,343.86
<u>\$ 681,343.86</u>	<u>\$ 681,343.86</u>		<u>0.00</u>	<u>0.00</u>	<u>\$ 681,343.86</u>
<u>\$ 681,343.86</u>	<u>\$ 681,343.86</u>		<u>0.00</u>	<u>0.00</u>	<u>\$ 681,343.86</u>



-UNAUDITED-

**SCHEDULE 1B**  
**SCHEDULE OF STATE GRANT PASS-THROUGHS FROM/TO STATE AGENCIES**  
**For the Fiscal Year Ended August 31, 2021**

Pass-Through Grantor/ Program Title	Pass-Through From			Pass-Through To			
	Grant ID	Agency Number	State Agency or University Amount	Total Pass-Through From	Agency Number	State Agency or University Amount	Total Pass-Through To
<b>Motor Vehicle Crime Prevention Authority (MVCPA)</b>							
<u>Programs:</u>							
Texas A&M University- Grant Management and Tracking System	608.0004			\$0.00	711	\$ 30,000.00	\$ 30,000.00
<b>Total</b>			<u>0.00</u>	<u>\$0.00</u>		<u>\$ 30,000.00</u>	<u>\$ 30,000.00</u>
<b>TOTAL PASS-THROUGH TO OTHER AGENCIES</b>			<u><b>0.00</b></u>	<u><b>\$0.00</b></u>		<u><b>\$ 30,000.00</b></u>	<u><b>\$ 30,000.00</b></u>

**Note 2 - Reconciliation**

Per Combined Statement of Revenues, Expenditures and Changes in Fund Balance (Governmental Fund Types)  
 Exhibit II

State Grant Pass-Through Expenditures	<u>\$ 30,000.00</u>
<b>Total</b>	<u><b>\$ 30,000.00</b></u>

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