

Annual Financial Report

Fiscal Year Ended August 31, 2019



Texas Department *of* Motor Vehicles

Prepared by the
Finance & Administrative Services Division

November 20, 2019

Texas Department of Motor Vehicles Board

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Executive Director

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November 20, 2019

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

Ladies and Gentlemen:

Attached is the Texas Department of Motor Vehicle's annual financial report for the year ended August 31, 2019, 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. Blake Randow, Director of Accounting, at (512) 465-4203, or Ms. Linda M. Flores, CPA, Chief Financial Officer, at (512) 465-4125.

Sincerely,

Whitney H. Brewster
Executive Director

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COMBINED FINANCIAL STATEMENTS

-UNAUDITED-

EXHIBIT I
COMBINED BALANCE SHEET
Statement of Net Assets - Governmental Funds
For the Year Ended August 31, 2019

	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)				
Assets						
Current Assets:						
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	4,103,144.07	140,146,406.73	144,249,550.80			144,249,550.80
Legislative Appropriations	16,408,038.71	0.00	16,408,038.71			16,408,038.71
Receivables:						
Federal	0.00	0.00	0.00			0.00
Accounts Receivable	0.00	137,609,178.08	137,609,178.08			137,609,178.08
Due From Other Funds (Note 12)	0.00	0.00	0.00			0.00
Due From Other Agencies (Note 12)	78.54	0.00	78.54			78.54
Consumable Inventories	0.00	65,900.38	65,900.38			65,900.38
Total Current Assets	<u>20,511,261.32</u>	<u>277,878,585.19</u>	<u>298,389,846.51</u>			<u>298,389,846.51</u>
Non - Current Assets:						
Capital Assets:						
Non - Depreciable						
Land and Land Improvements						
Depreciable						
Buildings and Building Improvements						
Less - Accumulated Depreciation						
Furniture and Equipment			4,670,870.25			4,670,870.25
Less - Accumulated Depreciation			(3,451,252.21)			(3,451,252.21)
Vehicles, Boats, & Aircraft			1,307,773.18			1,307,773.18
Less - Accumulated Depreciation			(461,471.03)			(461,471.03)
Intangibles Computer Software			3,875,591.07			3,875,591.07
Less - Accumulated Amortization			(3,726,695.44)			(3,726,695.44)
Total Non Current Assets			<u>2,214,815.82</u>			<u>2,214,815.82</u>
Total Assets	<u>\$ 20,511,261.32</u>	<u>\$ 277,878,585.19</u>	<u>\$ 298,389,846.51</u>	<u>\$ 2,214,815.82</u>	<u>\$ 0.00</u>	<u>\$ 300,604,662.33</u>

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

Texas Department of Motor Vehicles (608)

	Governmental Fund Types		Total Governmental	Capital Asset Adjustments	Long Term Liabilities Adjustments	Statement of Net Assets
	General Revenue (EXH A-1)	Special Revenue (EXH B-1)				
Liabilities						
Current Liabilities:						
Payables:						
Vouchers Payable	\$ 39,570.84	\$ 597,484.32	\$ 637,055.16	\$	\$	\$ 637,055.16
Accounts Payable	1,177,388.18	6,889,990.75	8,067,378.93			8,067,378.93
Payroll Payable	37,940.05	4,752,809.34	4,790,749.39			4,790,749.39
Due to Other Funds (Note 12)	0.00	0.00	0.00			0.00
Due to Other Agencies (Note 12)	102,409.36	0.00	102,409.36			102,409.36
Unearned Revenues	0.00	0.00	0.00			0.00
Employees Compensable Leave (Note 5)					2,624,808.22	2,624,808.22
Total Current Liabilities	1,357,308.43	12,240,284.41	13,597,592.84		2,624,808.22	16,222,401.06
Non-Current Liabilities:						
Employees' Compensable Leave (Note 5)					1,301,608.71	1,301,608.71
Total Non-Current Liabilities					1,301,608.71	1,301,608.71
Total Liabilities	1,357,308.43	12,240,284.41	13,597,592.84		3,926,416.93	17,524,009.77
Fund Financial Statement						
Fund Balances:						
Non Spendable (Inventory)	0.00	65,900.38	65,900.38			65,900.38
Restricted	0.00	265,572,400.40	265,572,400.40			265,572,400.40
Committed	3,952,797.35	0.00	3,952,797.35			3,952,797.35
Assigned	48,015.90	0.00	48,015.90			48,015.90
Unassigned	15,153,139.64	0.00	15,153,139.64			15,153,139.64
Total Fund Balances	19,153,952.89	265,638,300.78	284,792,253.67			284,792,253.67
Total Liabilities and Fund Balance	\$ 20,511,261.32	\$ 277,878,585.19	298,389,846.51			
Government-Wide Statement of Net Assets						
Net Assets:						
Invested in Capital Assets, Net of Related Debt				\$ 2,214,815.82	\$	\$ 2,214,815.82
Unrestricted					(3,926,416.93)	(3,926,416.93)
Total Net Assets				\$ 2,214,815.82	\$ (3,926,416.93)	\$ 283,080,652.56

-UNAUDITED-

EXHIBIT II
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
Statement of Activities - Governmental Funds
For the Year Ended August 31, 2019

	Governmental Fund Types			Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Activities
	General (EXH A-2)	Special Revenue (EXH B-2)	Total Governmental			
Revenues						
Legislative Appropriations:						
Original Appropriations	\$ 12,835,851.00	\$ 0.00	\$ 12,835,851.00			\$ 12,835,851.00
Additional Appropriations	95,915.23	0.00	95,915.23			95,915.23
Federal Revenues	0.00	224,257.93	224,257.93			224,257.93
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	92,475.98	1,892,111,004.36	1,892,203,480.34			1,892,203,480.34
Interest & Investment Income	6,631.61	2,728,987.32	2,735,618.93			2,735,618.93
Settlement of Claims	0.00	0.00	0.00			0.00
Sales of Goods and Services	0.00	241,732.28	241,732.28			241,732.28
Other	200,164.09	44,353.77	244,517.86			244,517.86
Total Revenues	13,231,037.91	1,895,350,335.66	1,908,581,373.57			1,908,581,373.57
Expenditures						
Salaries and Wages	365,778.77	39,852,513.51	40,218,292.28		(272,907.71)	39,945,384.57
Payroll Related Costs	100,342.89	14,577,881.82	14,678,224.71			14,678,224.71
Professional Fees and Services	609,813.25	14,879,988.25	15,489,801.50			15,489,801.50
Travel	12,326.93	384,088.84	396,415.77			396,415.77
Materials and Supplies	84,257.09	16,121,867.42	16,206,124.51			16,206,124.51
Communications and Utilities	1,046.14	4,700,919.27	4,701,965.41			4,701,965.41
Repairs and Maintenance	568,788.56	2,895,889.76	3,464,678.32			3,464,678.32
Rentals and Leases	5,932.46	1,038,976.76	1,044,909.22			1,044,909.22
Printing and Reproduction	1,505.51	4,553,069.59	4,554,575.10			4,554,575.10
Claims and Judgements	0.00	6,500.00	6,500.00			6,500.00
Federal Pass-Through Expenditures	0.00	0.00	0.00			0.00
State Grant Pass-Through Expenditures	0.00	0.00	0.00			0.00
Intergovernmental Payments	12,060,340.69	0.00	12,060,340.69			12,060,340.69
Public Assistance Programs	111,128.58	0.00	111,128.58			111,128.58
Other Operating Expenditures	25,924.03	31,627,533.35	31,653,457.38			31,653,457.38
Capital Outlay	13,564.10	712,667.76	726,231.86	(726,231.86)		0.00
Depreciation Expense			0.00	794,905.85		794,905.85
Total Expenditures	13,960,749.00	131,351,896.33	145,312,645.33	68,673.99	(272,907.71)	145,108,411.61
Excess (Deficit) of Revenues over Expenditures	(729,711.09)	1,763,998,439.33	1,763,268,728.24	(68,673.99)	272,907.71	1,763,472,961.96
Other Financing Sources (Uses)						
Transfers In (Note 12)	79,892.75	-	79,892.75			79,892.75
Transfers Out (Note 12)	(168,187.77)	(1,688,610,937.28)	(1,688,779,125.05)			(1,688,779,125.05)
Sale of Capital Assets	21,735.29	7,245.12	28,980.41	(32,700.00)		(3,719.59)
Legislative Financing Sources	0.00	-	0.00			0.00
Insurance Recoveries	0.00	-	0.00			0.00
Legislative Transfers In (Note 12)	0.00	-	0.00			0.00
Legislative Transfers Out (Note 12)	0.00	-	0.00			0.00
Gain (Loss) on of Capital Assets	0.00	-	0.00	121.06		121.06
Inc (Dec) in Net Assets Due to Interagency Transfer	0.00	-	0.00	0.00		0.00
Total Other Financing Sources (Uses)	(66,559.73)	(1,688,603,692.16)	(1,688,670,251.89)	(32,578.94)	0.00	(1,688,702,830.83)
Net Change in Fund Balances/Net Assets	(796,270.82)	75,394,747.17	74,598,476.35	(101,252.93)	272,907.71	74,770,131.13
Fund Financial Statement - Fund Balance						
Fund Balance - Beginning	21,821,248.18	190,243,553.61	212,064,801.79			212,064,801.79
Restatements			0.00			0.00
Fund Balance as Restated	21,821,248.18	190,243,553.61	212,064,801.79			212,064,801.79
Appropriations Lapsed	(1,871,024.47)		(1,871,024.47)			(1,871,024.47)
Fund Balances - August 31, 2019	\$ 19,153,952.89	\$ 265,638,300.78	\$ 284,792,253.67			\$ 284,963,908.45
Government-wide Statement of Net Assets						
Net Change in Net Assets			\$ 284,792,253.67	(101,252.93)	272,907.71	\$ 284,963,908.45
Net Assets-Beginning				2,180,406.97	(4,199,324.64)	(2,018,917.67)
Restatements				135,661.78		135,661.78
Net Assets, September 1, 2017, as Restated and Adjusted				2,316,068.75	(4,199,324.64)	(1,883,255.89)
Net Assets-August 31, 2019			\$ 284,792,253.67	2,214,815.82	(3,926,416.93)	\$ 283,080,652.56

-UNAUDITED-

EXHIBIT VI
COMBINED STATEMENT OF NET ASSETS - FIDUCIARY FUNDS
For Fiscal Year Ended August 31, 2019

	<u>Agency Funds (Exhibit J-1)</u>
Assets	
Current Assets:	
Cash in State Treasury	16,349,112.12
Accounts Receivable	0.00
Total Current Assets	\$ <u>16,349,112.12</u>
 Total Assets	 <u><u>16,349,112.12</u></u>
 Liabilities	
Current Liabilities:	
Accounts Payable	404,199.85
Funds Held for Others	<u>15,944,912.27</u>
Total Current Liabilities	<u>16,349,112.12</u>
 Total Liabilities	 \$ <u><u>16,349,112.12</u></u>
 Net Assets	
Net Assets:	(0.00)
Total Net Assets	\$ <u><u>(0.00)</u></u>

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NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Scope of Entity

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

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

Basis of Presentation

Due to the statewide requirements included in Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, the Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all the requirements of this statement. The financial report will be considered for audit by the State Auditor as part of the audit of the State of Texas Comprehensive Annual Financial Report; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

Fund Structure

The accompanying financial statements are presented on the basis of funds, each of which is considered a separate accounting entity.

Governmental Fund Types & Government-wide Adjustment Fund Types

General Revenue Funds

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

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

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

Special Revenue Funds

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

The agency collected \$12.7 million in revenue from the automation fee authorized by House Bill 3014, 76th Legislature, Regular Session, for a license plate or other registration insignia. The revenue is used to enhance the agency's automated registration and title system.

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, 83rd Legislature; however, it was not exempted from funds consolidation. The 84th 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.

Agency Funds

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

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

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.

Basis of Accounting

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

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

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

Budgets and Budgetary Accounting

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

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

Assets, Liabilities and Fund Balances

Assets

Cash and Cash Equivalents

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

Receivables

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

Inventories and Prepaid Items

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

Capital Assets

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

of acquisition. Depreciation is reported on all “exhaustible” assets. Assets are depreciated over the estimated useful life of the asset using the straight-line method.

Liabilities

Accounts Payable

Accounts payable represents the liability for the value of assets or services received at the balance sheet date for which payment is pending.

Payroll Payable

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

Employees' Compensable Leave

Employees' compensable leave represents the liability that becomes due upon the occurrence of relevant events such as resignations, retirements, and uses of leave balances by covered employees. Liabilities are reported separately as either current or non-current in the statement of net assets. These obligations are normally paid from the same funding source from which each employee's salary or wage compensation was paid.

Fund Balance/Net Assets

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

Fund Balance Components

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

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

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 into the reimbursed fund.

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

NOTE 2: CAPITAL ASSETS

A summary of changes in Capital Assets for the year ended August 31, 2019, is presented below:

Governmental Activities	PRIMARY GOVERNMENT							
	Balance 09/01/18	Adjust/ Restate	Reclass. Completed CIP	Reclass. Increase Inter-Agency Transaction	Reclass. Decrease Inter-Agency Transaction	Additions	Deletions	Balance 08/31/19
Non-Depreciable Assets	\$	\$	\$		\$	\$	\$	\$
Total Non-Depreciable Assets								
Depreciable Assets								
Buildings/Building Improvements								
Furniture and Equipment	4,600,517.56	159,608.81				212,021.86	(301,277.98)	4,670,870.25
Vehicles, Boats, & Aircraft	1,287,866.54					514,210.00	(494,303.36)	1,307,773.18
Other Assets								
Total Depreciable Assets	5,888,384.10	159,608.81				726,231.86	(795,581.34)	5,978,643.43
Less Accumulated Depreciation for:								
Buildings/Building Improvements								
Furniture and Equipment	(3,306,915.65)	(23,947.03)				(406,603.59)	286,214.06	(3,451,252.21)
Vehicles, Boats, & Aircraft	(829,343.76)					(108,915.61)	476,788.34	(461,471.03)
Other Capital Assets								
Total Accumulated Depreciation	(4,136,259.41)	(23,947.03)				(515,519.20)	763,002.40	(3,912,723.24)
Depreciable Assets, Net	1,752,124.69	135,661.78				210,712.66	(32,578.94)	2,065,920.19
Amortizable Assets – Intangible:								
Land Use Rights								
Computer Software	3,875,591.07							3,875,591.07
Other Capital Intangible								
Total Amortizable Assets – Intangible	3,875,591.07							3,875,591.07
Less Accumulated Amortization for:								
Land Use Rights								
Computer Software	(3,447,308.79)					(279,386.65)		(3,726,695.44)
Other Capital Intangible								
Total Accumulated Amortization	(3,447,308.79)					(279,386.65)		(3,726,695.44)
Amortizable Assets – Intangible, Net	428,282.28					(279,386.65)		148,895.63
Governmental Activities Capital Assets, Net	\$ 2,180,406.97	135,661.78				(68,673.99)	(32,578.94)	\$ 2,214,815.82

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

As of August 31, 2019, the carrying amount of deposits was \$20,000.00 as presented below:

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

NOTE 4: SHORT-TERM DEBT

Not applicable

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

During the year ended August 31, 2019, the following changes occurred in liabilities.

Governmental Activities	Balance 9/01/18	Additions	Reductions	Balance 8/31/19	Amounts Due Within Year
Compensable Leave	\$4,199,324.64	\$4,373,127.17	\$4,646,034.88	\$3,926,416.93	\$2,624,808.22

Employees' Compensable Leave

A state employee is entitled to be paid for all unused vacation time accrued, in the event of the employee's resignation, dismissal, or separation from State employment, provided the employee has had continuous employment with the State for six months. Expenditures for accumulated vacation leave balances are recognized in the period paid or taken in governmental fund types. For these fund types, the liability for unpaid benefits is recorded in the Statement of Net Assets. An expense and liability for proprietary fund types are recorded in the proprietary funds as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

NOTE 6: BONDED INDEBTEDNESS

Not Applicable

NOTE 7: DERIVATIVE INSTRUMENTS

Not Applicable

NOTE 8: LEASES**Operating Leases**

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

Fund Type	Amount
Fund 0001	\$ 4,333.46
Fund 0010	\$ 980,203.09

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

Year Ended August 31,	
2020	\$ 866,478.05
2021	576,768.43
2022	509,106.94
2023	439,440.76
2024	411,827.52
2025-29	404,652.05
Total Minimum Future Lease Rental Payments	\$ 3,208,273.75

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, 2019, are as follows:

	Transfer In	Transfer Out	Source
General Revenue (01)			
Appd Fund 0802, D23 fund 0802			
Agy 300, D23 fund 0803	9,047.01		Shared Fund
Agy 300, D23 fund 0804	(1,124.46)		Shared Fund
Agy 300, D23 fund 0805	(388.17)	12,826.87	Shared Fund
Agy 300, D23 fund 0807	109.15	1,794.77	Shared Fund
Agy 302, D23 fund 0804	2,787.17	(965.86)	Shared Fund
Agy 302, D23 fund 0805	347.58		Shared Fund
Agy 305, D23 fund 0015	55.63		Shared Fund
Agy 306, D23 fund 0802	2,411.78		Shared Fund
Agy 332, D23 fund 0802		794.59	Shared Fund
Agy 403, D23 fund 3004	581.97		Shared Fund
Agy 403, D23 fund 3005	(313.31)		Shared Fund
Agy 403, D23 fund 3006	19.74		Shared Fund
Agy 407, D23 fund 0802	4,825.07		Shared Fund
Agy 411, D23 fund 0802	464.94	3,140.44	Shared Fund
Agy 506, D23 fund 0802	(7,725.59)		Shared Fund
Agy 529, D23 fund 0802	13,748.34		Shared Fund
Agy 530, D23 fund 0802	14,060.00	(2,607.40)	Shared Fund
Agy 537, D23 fund 0802	6,291.98		Shared Fund
Agy 537, D23 fund 0803	41,675.49		Shared Fund
Agy 537, D23 fund 0804	1,536.97		Shared Fund
Agy 537, D23 fund 0805	3,638.52		Shared Fund
Agy 542, D23 fund 0802	.01		Shared Fund
Agy 542, D23 fund 4200		(4,852.78)	Shared Fund
Agy 542, D23 fund 4200	5,443.82		Shared Fund
Agy 551, D23 fund 0802	(55,851.84)		Shared Fund
Agy 555, D23 fund 1802	1,299.41		Shared Fund
Agy 555, D23 fund 2802	(7,170.79)		Shared Fund
Agy 555, D23 fund 3802	892.51		Shared Fund
Agy 576, D23 fund 0802	(9,108.60)		Shared Fund
Agy 582, D23 fund 0802	311.23		Shared Fund
Agy 701, D23 fund 2242	163.07	133.86	Shared Fund
Agy 701, D23 fund 2250	4,520.87	4,376.48	Shared Fund
Agy 701, D23 fund 2260	27.47	25.66	Shared Fund
Agy 701, D23 fund 2270	470.47	406.18	Shared Fund
Agy 701, D23 fund 2271	(463.74)	(524.33)	Shared Fund
Agy 701, D23 fund 2273	(542.79)	(689.32)	Shared Fund
Agy 701, D23 fund 2274	(36.77)	(133.34)	Shared Fund
Agy 711, D23 fund 0802	6,345.70		Shared Fund
Agy 714, D23 fund 0802	3,632.10		Shared Fund

	Transfer In	Transfer Out	Source
Agy 715, D23 fund 0802	15,602.18		Shared Fund
Agy 717, D23 fund 0802	4,447.55		Shared Fund
Agy 718, D23 fund 0802	5,632.33		Shared Fund
Agy 721, D23 fund 0802	131,997.29		Shared Fund
Agy 724, D23 fund 0802	4,219.47		Shared Fund
Agy 730, D23 fund 0802	3,051.61		Shared Fund
Agy 732, D23 fund 0802	668.77		Shared Fund
Agy 733, D23 fund 0802	5,681.40	(5,806.04)	Shared Fund
Agy 734, D23 fund 0802	31.55		Shared Fund
Agy 737, D23 fund 0802	123.77		Shared Fund
Agy 738, D23 fund 0802	1,684.10		Shared Fund
Agy 743, D23 fund 0802	3.65		Shared Fund
Agy 751, D23 fund 0802	(3,095.90)		Shared Fund
Agy 752, D23 fund 0802	12,706.07		Shared Fund
Agy 753, D23 fund 0802	4,896.27		Shared Fund
Agy 754, D23 fund 0802	12,378.94		Shared Fund
Agy 755, D23 fund 0802	7,087.00		Shared Fund
Agy 756, D23 fund 0802	1,775.20		Shared Fund
Agy 757, D23 fund 0802	1,412.34		Shared Fund
Agy 759, D23 fund 0802	24.36		Shared Fund
Agy 760, D23 fund 0802	(11.00)	1.83	Shared Fund
Agy 765, D23 fund 0802	31.12		Shared Fund
Agy 781, D23 fund 4003	(9,857.43)	(8,669.88)	Shared Fund
Agy 781, D23 fund 4004	57.92		Shared Fund
Agy 781, D23 fund 4005	(613.64)		Shared Fund
Agy 781, D23 fund 4006	(45.33)		Shared Fund
Agy 781, D23 fund 4007	(633.32)		Shared Fund
Agy 781, D23 fund 4008	(1,435.86)	1,107.32	Shared Fund
Agy 781, D23 fund 4009	(539.28)	916.64	Shared Fund
Agy 781, D23 fund 4010	(44.17)		Shared Fund
Agy 781, D23 fund 4011	(2,133.79)	(2,021.18)	Shared Fund
Agy 781, D23 fund 4012	(464.34)		Shared Fund
Agy 781, D23 fund 4013	(60.96)		Shared Fund
Agy 781, D23 fund 4014	(303.76)		Shared Fund
Agy 781, D23 fund 4015	(441.36)	(374.54)	Shared Fund
Agy 781, D23 fund 4016	(66.96)		Shared Fund
Agy 781, D23 fund 4017	(183.43)		Shared Fund
Agy 781, D23 fund 4018	(242.28)		Shared Fund
Agy 781, D23 fund 4019	(123.37)		Shared Fund
Agy 781, D23 fund 4020	(2.04)		Shared Fund
Agy 781, D23 fund 4021	(511.60)	(409.91)	Shared Fund
Agy 781, D23 fund 4022	(60.47)	(365.61)	Shared Fund
Agy 781, D23 fund 4023	(278.04)	(215.18)	Shared Fund
Agy 781, D23 fund 4025	428.46		Shared Fund
Agy 783, D23 fund 0802	(22,971.58)		Shared Fund
Agy 802, D23 fund 3030	38,613.47		Shared Fund

	Transfer In	Transfer Out	Source
Agy 802, D23 fund 3043		154,190.02	Shared Fund
Agy 802, D23 fund 3044	(65,202.90)		Shared Fund
Agy 802, D23 fund 3045	(42,805.85)	(936.31)	Shared Fund
Agy 802, D23 fund 3046	8,377.86	(289.64)	Shared Fund
Agy 802, D23 fund 3047	(26,378.46)	495.53	Shared Fund
Agy 802, D23 fund 3048	31,264.49	(574.16)	Shared Fund
Agy 802, D23 fund 3049	18,305.96	(533.97)	Shared Fund
Agy 802, D23 fund 3050	1,852.28	(950.04)	Shared Fund
Agy 802, D23 fund 3051	4,861.56	(2,838.22)	Shared Fund
Agy 802, D23 fund 3057	(1,619.75)		Shared Fund
Agy 802, D23 fund 3116	7,713.45		Shared Fund
Agy 802, D23 fund 3120	9,683.47		Shared Fund
Agy 802, D23 fund 3142	(10,290.78)		Shared Fund
Agy 802, D23 fund 3151	511.10		Shared Fund
Agy 802, D23 fund 3152	4,837.82		Shared Fund
Agy 808, D23 fund 0802	2,159.42		Shared Fund
Agy 813, D23 fund 0802	(114,558.14)		Shared Fund
Agy 902, D23 fund 8020	764.37		Shared Fund
Appd Fund 0001, D23 fund 0001			
Agy 902, D23 fund 0001		21,735.29	Surplus Property
Total Transfer In/Out Other Agencies	\$ 79,892.75	\$ 168,187.77	
Special Revenue (02)			
Appd Fund 0006, D23 fund 0006			
Agy 601, D23 fund 0006		1,688,610,937.28	Shared Cash
Total Transfers In/Out	\$ 79,892.75	\$ 1,688,779,125.05	

	Due from Other Agencies	Due to Other Agencies	Source
General Revenue (01)			
Appd Fund 0802, D23 fund 0802			
Agy 300, D23 fund 0805		12,826.87	Shared Fund
Agy 300, D23 fund 0807		1,794.77	Shared Fund
Agy 411, D23 fund 0802		6,037.89	Shared Fund
Agy 701, D23 fund 2242		1,539.97	Shared Fund
Agy 701, D23 fund 2250		10,204.20	Shared Fund
Agy 701, D23 fund 2260		25.66	Shared Fund
Agy 701, D23 fund 2270		3,519.93	Shared Fund
Agy 701, D23 fund 2271		2,298.97	Shared Fund
Agy 701, D23 fund 2273		5,609.29	Shared Fund
Agy 701, D23 fund 2274		4,309.26	Shared Fund
Agy 781, D23 fund 4003	5.64		Shared Fund
Agy 781, D23 fund 4004	.64		Shared Fund
Agy 781, D23 fund 4005	4.75		Shared Fund
Agy 781, D23 fund 4006	.11		Shared Fund
Agy 781, D23 fund 4007	.91		Shared Fund
Agy 781, D23 fund 4008	33.60	1,107.32	Shared Fund
Agy 781, D23 fund 4009	19.45	916.64	Shared Fund
Agy 781, D23 fund 4010	.31		Shared Fund

	Due from Other Agencies	Due to Other Agencies	Source
Agy 781, D23 fund 4011	2.85		Shared Fund
Agy 781, D23 fund 4012	1.80		Shared Fund
Agy 781, D23 fund 4013	.90		Shared Fund
Agy 781, D23 fund 4014	1.87		Shared Fund
Agy 781, D23 fund 4015	.40		Shared Fund
Agy 781, D23 fund 4016	.28		Shared Fund
Agy 781, D23 fund 4017	1.28		Shared Fund
Agy 781, D23 fund 4018	.55		Shared Fund
Agy 781, D23 fund 4019	.79		Shared Fund
Agy 781, D23 fund 4020	.11		Shared Fund
Agy 781, D23 fund 4021	.52		Shared Fund
Agy 781, D23 fund 4022	.62		Shared Fund
Agy 781, D23 fund 4023	.24		Shared Fund
Agy 781, D23 fund 4025	.92		Shared Fund
Agy 802, D23 fund 3043		48,365.66	Shared Fund
Agy 802, D23 fund 3044		471.16	Shared Fund
Agy 802, D23 fund 3046		284.52	Shared Fund
Agy 802, D23 fund 3047		1,665.44	Shared Fund
Agy 802, D23 fund 3049		31.81	Shared Fund
Agy 802, D23 fund 3050		1,400.00	Shared Fund
Total Due From/ To Other Agencies	\$78.54	\$102,409.36	

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 2019, a net increase in the amount of \$135,661.78, was made to total Net Assets. This adjustment was necessary due to warranty replacement assets not previously recorded.

Fund Balance and Net Position for 2019

	Capital Assets (FT 11)	Total
Fund Balance, Sept. 1, 2018	\$2,180,406.97	\$2,180,406.97
Current Year's Restatements	135,661.78	135,661.78
Fund Balance, Sept. 1, 2018 as Restated	\$2,316,068.75	\$2,316,068.75

Net Change in Fund Balance/Net Assets for 2018

	Capital Assets (FT 11)	Total
Net Changes in Fund Balances/Net Assets, Aug. 31, 2018	\$(957,111.82)	\$(957,111.82)
Current Year's Restatements	135,661.78	135,661.78
Net Changes in Fund Balances/Net Assets, Aug. 31, 2018 as Restated	\$(821,450.04)	\$(821,450.04)

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, 2019, 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	\$ 7,333,435.80	\$ 40,606.97	\$ 10,308,410.05

NOTE 16: SUBSEQUENT EVENTS

Not Applicable

NOTE 17: RISK MANAGEMENT

The department is exposed to a wide range of risks, due to the size, scope and nature of its activities. Some of these risks include, but are not limited to property and casualty losses, workers' compensation and health benefit claims, theft, damage of assets, etc. The department retains these risks, and manages them through insurance and safety programs. In FY 2019, the department had \$ 6,500.00 in payments related to claims.

	Beginning Balance	Increases	Decreases	Ending Balance
2019	-	\$ 6,500.00	\$ (6,500.00)	-
2018	-	\$10,000.00	\$(10,000.00)	-

NOTE 18: MANAGEMENT DISCUSSION AND ANALYSIS

The Texas Department of Motor Vehicles (TxDMV) is a self-funded department through the TxDMV Fund, with the exception of the Automobile Burglary and Theft Prevention Authority, which is funded through the General Revenue (GR) Fund. With the enactment of S.B. 604, TxDMV's Sunset legislation, the Automobile Burglary and Theft Prevention Authority was renamed the Motor Vehicle Crime Prevention Authority as of September 1, 2019.

During FY 2019, revenue for all funds totaled \$1.91 billion. Of this amount, \$1.72 billion was for the State Highway Fund and \$172.43 million was for the TxDMV Fund. This represents an increase of \$97.43 million or a 5.38% increase compared to revenue in FY 2018 of \$1.81 billion. The increase in revenue is primarily attributable to increased motor vehicle registrations due to population growth and a stable national and state economy. Oversize/Overweight permits issued also increased due to a moderate increase in new construction and growth in manufacturing and refining.

FY 2019 Capital budget expenditures totaled \$17.3 million, primarily consisting of expenditures for the TxDMV Automation project (\$3.5 million); Data Center Consolidation services (\$10.3 million); and \$2.5 million for the County Technology Replacement & Upgrades capital budget. Other capital expenditures for Agency Growth & Enhancement, Replacement Vehicles, Personal Computer (PC) Replacement, and Cybersecurity, totaled \$1.0 million.

Overall expenditures decreased by \$3 million in FY 2019 compared to FY 2018 expenditures of \$148.1 million. The primary factors contributing to this decrease are a reduction in Professional Fees and Repairs and Maintenance of \$5.36 million primarily from the completion of contractual obligations related to the Registration and Titling System Refactoring Project. The reductions are offset by an increase in Materials and Supplies expenditures of \$2.16 million which is attributable to increases in registrations and an increase in postal rates during 2019. Other significant items included within Materials and Supplies expenditures are Consumables (Office Supplies & Toner), Personal Property (FF&E), and Computer Software (Windows updates for counties.)

NOTE 19: THE FINANCIAL REPORTING ENTITY

Not Applicable

NOTE 20: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Not Applicable

NOTE 21:

Not Applicable to the reporting requirement process.

NOTE 22: DONOR RESTRICTED ENDOWMENTS

Not Applicable

NOTE 23: EXTRAORDINARY AND SPECIAL ITEMS

Not Applicable

NOTE 24: DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

Not Applicable

NOTE 25: TERMINATION BENEFITS

Not Applicable

NOTE 26: SEGMENT INFORMATION

Not Applicable

NOTE 27: SERVICE CONCESSION ARRANGEMENTS

Not Applicable

NOTE 28: DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES

Not Applicable

NOTE 29: TROUBLE DEBT RESTRUCTURING

Not Applicable

NOTE 30: NON-EXCHANGE FINANCIAL GUARANTEES

Not Applicable

NOTE 31: TAX ABATEMENTS

Not Applicable

NOTE 32: FUND BALANCES

GAAP Fund	Fund	AFR 54 Class	Amount	Citation	Purpose
0010	0010	Restricted	\$130,926,441.34	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	\$227,320.63	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.

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COMBINING FINANCIAL STATEMENTS

-UNAUDITED-

**EXHIBIT A-1
COMBINING BALANCE SHEET
All General and Consolidated Funds
For the Year Ended August 31, 2019**

	<u>General Revenue Account (0001)</u>	<u>License Plate Trust Fund Account (0802)</u>	<u>Suspense Type Activities Account (0900)</u>	<u>Deposit Default Type Activities Account (9000)</u>	<u>Returned Items Type Activities Account (9001)</u>	<u>Total</u>
Assets						
Current Assets:						
Cash on Hand	\$	\$	\$	\$	\$	0.00
Cash in Bank						0.00
Cash in State Treasury		4,055,128.17	48,015.90			4,103,144.07
Legislative Appropriations	16,408,038.71					16,408,038.71
Receivables:						
Federal						0.00
Accounts Receivable						0.00
Due From Other Funds (Note 12)						0.00
Due From Other Agencies (Note 12)		78.54				78.54
Consumable Inventories						0.00
Total Current Assets	16,408,038.71	4,055,206.71	48,015.90	0.00	0.00	20,511,261.32
Liabilities						
Current Liabilities						
Payables:						
Vouchers Payable	39,570.84					39,570.84
Account Payable	1,177,388.18					1,177,388.18
Payroll Payable	37,940.05					37,940.05
Due to Other Funds (Note 12)						0.00
Due to Other Agencies (Note 12)		102,409.36				102,409.36
Total Current Liabilities	1,254,899.07	102,409.36	0.00	0.00	0.00	1,357,308.43
Fund Balances						
Non Spendable (Inventory)						0.00
Restricted						0.00
Committed		3,952,797.35				3,952,797.35
Assigned			48,015.90			48,015.90
Unassigned	15,153,139.64					15,153,139.64
Total Fund Balance	15,153,139.64	3,952,797.35	48,015.90	0.00	0.00	19,153,952.89
Total Liabilities and Fund Balances	\$ 16,408,038.71	\$ 4,055,206.71	\$ 48,015.90	\$ 0.00	\$ 0.00	\$ 20,511,261.32

-UNAUDITED-

EXHIBIT B-1
COMBINING BALANCE SHEET
Special Revenue Funds
For Fiscal Year Ended August 31, 2019

	State Highway Fund (0006)	Texas Department of Motor Vehicles Fund (0010)	Suspense Type Activities Fund (0900)	Total
Assets				
Current Assets:				
Cash on Hand	\$	\$ 37,100.00	\$	\$ 37,100.00
Cash in Bank		20,000.00		20,000.00
Cash in State Treasury		139,919,086.10	227,320.63	140,146,406.73
Legislative Appropriations				0.00
Receivables:				
Federal				
Accounts Receivable	134,418,638.43	3,190,539.65		137,609,178.08
Due From Other Funds (Note 12)				0.00
Due From Other Agencies (Note 12)				0.00
Consumable Inventories		65,900.38		65,900.38
Total Current Assets	134,418,638.43	143,232,626.13	227,320.63	277,878,585.19
Liabilities				
Current Liabilities				
Payables:				
Vouchers Payable		597,484.32		597,484.32
Account Payable		6,889,990.75		6,889,990.75
Payroll Payable		4,752,809.34		4,752,809.34
Due to Other Funds (Note 12)				0.00
Due to Other Agencies (Note 12)				0.00
Total Current Liabilities	0.00	12,240,284.41	0.00	12,240,284.41
Fund Balances				
Non Spendable (Inventory)		65,900.38		65,900.38
Restricted	134,418,638.43	130,926,441.34	227,320.63	265,572,400.40
Committed				0.00
Assigned				0.00
Unassigned				0.00
Total Fund Balance	134,418,638.43	130,992,341.72	227,320.63	265,638,300.78
Total Liabilities and Fund Balances	\$ 134,418,638.43	\$ 143,232,626.13	\$ 227,320.63	\$ 277,878,585.19

-UNAUDITED-

EXHIBIT A-2
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
All General and Consolidated Funds
For the Year Ended August 31, 2019

	General Revenue Account (0001)	License Plate Trust Fund Account (0802)	Suspense Type Activities Account (0900)	Deposit Default Type Activities Account (9000)	Returned Items Type Activities Account (9001)	Totals
Revenues						
Legislative Appropriations :						
Original Appropriations	\$ 12,835,851.00	\$	\$	\$	\$	12,835,851.00
Additional Appropriations	95,915.23					95,915.23
Federal Revenues						0.00
Federal Pass-Through						0.00
State Grant Pass -Through						0.00
Licenses, Fees and Permits		105,110.23	(12,634.25)			92,475.98
Interest & Investment Income		6,631.61				6,631.61
Settlement of Claims						0.00
Sales of Goods and Services						0.00
Other Revenues				(20,900.25)	221,064.34	200,164.09
Total Revenues	12,931,766.23	111,741.84	(12,634.25)	(20,900.25)	221,064.34	13,231,037.91
Expenditures						
Salaries and Wages	365,778.77					365,778.77
Payroll Related Costs	100,342.89					100,342.89
Professional Fees and Services	609,813.25					609,813.25
Travel	12,326.93					12,326.93
Materials and Supplies	84,257.09					84,257.09
Communications and Utilities	1,046.14					1,046.14
Repairs and Maintenance	568,788.56					568,788.56
Rentals and Leases	5,932.46					5,932.46
Printing and Reproduction	1,505.51					1,505.51
Claims and Judgements						0.00
Federal Pass-Through Expenditures						0.00
State Grant Pass-Through Expenditures						0.00
Intergovernmental Payments	12,060,340.69					12,060,340.69
Public Assistance Payments	111,128.58					111,128.58
Other Operating Expenditures	25,924.03					25,924.03
Capital Outlay	13,564.10					13,564.10
Total Expenditures	13,960,749.00	0.00	0.00	0.00	0.00	13,960,749.00
Excess (Deficit) of Revenues over Expenditures	(1,028,982.77)	111,741.84	(12,634.25)	(20,900.25)	221,064.34	(729,711.09)
Other Financing Sources (Uses)						
Operating Transfers In (Note 12)		79,892.75				79,892.75
Operating Transfers Out (Note 12)	(21,735.29)	(146,452.48)				(168,187.77)
Insurance Recoveries						0.00
Sale of Capital Assets	21,735.29					21,735.29
Legislative Financing Sources						0.00
Legislative Financing Uses						0.00
Legislative Transfers In (Note 12)						0.00
Legislative Transfers Out (Note 12)						0.00
Total Other Financing Sources (Uses)	0.00	(66,559.73)	0.00	0.00	0.00	(66,559.73)
Excess (Deficit) of Revenues and other Sources Over Expenditures and Other Uses	(1,028,982.77)	45,182.11	(12,634.25)	(20,900.25)	221,064.34	(796,270.82)
Fund Balance - Beginning	18,053,146.88	3,907,615.24	60,650.15	20,900.25	(221,064.34)	21,821,248.18
Restatements						0.00
Fund Balance As Restated	18,053,146.88	3,907,615.24	60,650.15	20,900.25	(221,064.34)	21,821,248.18
Appropriations Lapsed	(1,871,024.47)					(1,871,024.47)
Fund Balance - Ending	\$ 15,153,139.64	\$ 3,952,797.35	\$ 48,015.90	\$ 0.00	\$ 0.00	\$ 19,153,952.89

-UNAUDITED-

EXHIBIT B-2
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
Special Revenue Funds
For the Year Ended August 31, 2019

	State Highway Fund (0006)	Texas Department of Motor Vehicles Fund (0010)	Suspense Type Activities Account (0900)	Totals
Revenues				
Legislative Appropriations:				
Original Appropriations	\$	\$	\$	\$ 0.00
Additional Appropriations				0.00
Federal Revenues		224,257.93		224,257.93
Federal Pass-Through				0.00
State Grant Pass -Through				0.00
Licenses, Fees and Permits	1,722,951,590.41	169,192,177.45	(32,763.50)	1,892,111,004.36
Interest & Investment Income		2,728,987.32		2,728,987.32
Settlement of Claims				0.00
Sales of Goods and Services	0.70	241,731.58		241,732.28
Other Revenues	1,325.40	43,028.37		44,353.77
Total Revenues	1,722,952,916.51	172,430,182.65	(32,763.50)	1,895,350,335.66
Expenditures				
Salaries and Wages		39,852,513.51		39,852,513.51
Payroll Related Costs		14,577,881.82		14,577,881.82
Professional Fees and Services	640,222.85	14,239,765.40		14,879,988.25
Travel	(1,659.51)	385,748.35		384,088.84
Materials and Supplies		16,121,867.42		16,121,867.42
Communications and Utilities		4,700,919.27		4,700,919.27
Repairs and Maintenance	93,788.56	2,802,101.20		2,895,889.76
Rentals and Leases		1,038,976.76		1,038,976.76
Printing and Reproduction		4,553,069.59		4,553,069.59
Claims and Judgements		6,500.00		6,500.00
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		31,627,533.35		31,627,533.35
Capital Outlay		712,667.76		712,667.76
Total Expenditures	732,351.90	130,619,544.43	0.00	131,351,896.33
Excess (Deficit) of Revenues over Expenditures	1,722,220,564.61	41,810,638.22	(32,763.50)	1,763,998,439.33
Other Financing Sources (Uses)				
Operating Transfers In (Note 12)				0.00
Operating Transfers Out (Note 12)	(1,688,610,937.28)	-		(1,688,610,937.28)
Sale of Capital Assets		7,245.12		7,245.12
Legislative Financing Sources				0.00
Insurance Recoveries				0.00
Legislative Transfers In (Note 12)				0.00
Legislative Transfers Out (Note 12)				0.00
Total Other Financing Sources (Uses)	(1,688,610,937.28)	7,245.12	0.00	(1,688,603,692.16)
Excess (Deficit) of Revenues and other Sources Over Expenditures and Other Uses	33,609,627.33	41,817,883.34	(32,763.50)	75,394,747.17
Fund Balance - Beginning	100,809,011.10	89,174,458.38	260,084.13	190,243,553.61
Restatements				0.00
Fund Balance As Restated	100,809,011.10	89,174,458.38	260,084.13	190,243,553.61
Appropriations Lapsed				0.00
Fund Balance - Ending	\$ 134,418,638.43	\$ 130,992,341.72	\$ 227,320.63	265,638,300.78

-UNAUDITED-

EXHIBIT J-1
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
All Agency Funds
For Fiscal Year Ended August 31, 2019

	Beginning Balances September 1, 2018	Additions	Deductions	Ending Balances August 31, 2019
Intermodal Container & Milk Transport - Tx Department of Motor Vehicle Fund (1623)				
Assets:				
Cash in State Treasury	8,330.00	593,517.34	601,847.34	0.00
Accounts Receivable	0.00	0.00	0.00	0.00
Total Assets	\$ <u>8,330.00</u>	\$ <u>593,517.34</u>	\$ <u>601,847.34</u>	\$ <u>0.00</u>
Liabilities:				
Accounts Payable	0.00	0.00	0.00	0.00
Funds Held for Others	8,330.00	593,517.34	601,847.34	0.00
Total Liabilities	\$ <u>8,330.00</u>	\$ <u>593,517.34</u>	\$ <u>601,847.34</u>	\$ <u>0.00</u>
Unified Carrier Registration - Tx Department of Motor Vehicle Fund (1645)				
Assets:				
Cash in State Treasury	120,797.65	125,990.17	246,787.82	0.00
Accounts Receivable	0.00	0.00	0.00	0.00
Total Assets	\$ <u>120,797.65</u>	\$ <u>125,990.17</u>	\$ <u>246,787.82</u>	\$ <u>0.00</u>
Liabilities:				
Accounts Payable	0.00	125,880.17	125,880.17	0.00
Funds Held for Others	120,797.65	125,990.17	246,787.82	0.00
Total Liabilities	\$ <u>120,797.65</u>	\$ <u>251,870.34</u>	\$ <u>372,667.99</u>	\$ <u>0.00</u>
Proportional Registration Distributive Fund (0021)				
Assets:				
Cash in State Treasury	13,329,257.81	126,353,606.13	124,062,548.38	15,620,315.56
Total Assets	\$ <u>13,329,257.81</u>	\$ <u>126,353,606.13</u>	\$ <u>124,062,548.38</u>	\$ <u>15,620,315.56</u>
Liabilities:				
Accounts Payable	0.00	22,515,164.32	22,515,164.32	0.00
Funds Held for Others	13,329,257.81	126,354,430.81	124,063,373.06	15,620,315.56
Total Liabilities	\$ <u>13,329,257.81</u>	\$ <u>148,869,595.13</u>	\$ <u>146,578,537.38</u>	\$ <u>15,620,315.56</u>
Child Support - Employee Deduction (0807)				
Assets:				
Cash in State Treasury	5,597.00	55,077.07	57,624.07	3,050.00
Total Assets	\$ <u>5,597.00</u>	\$ <u>55,077.07</u>	\$ <u>57,624.07</u>	\$ <u>3,050.00</u>
Liabilities:				
Accounts Payable	0.00	51,627.07	51,627.07	0.00
Funds Held for Others	5,597.00	55,077.07	57,624.07	3,050.00
Total Liabilities	\$ <u>5,597.00</u>	\$ <u>106,704.14</u>	\$ <u>109,251.14</u>	\$ <u>3,050.00</u>

EXHIBIT J-1
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
All Agency Funds
For Fiscal Year Ended August 31, 2019

	Beginning Balances September 1, 2018	Additions	Deductions	Ending Balances August 31, 2019
Suspense Fund (0900)				
Assets:				
Cash in State Treasury	1,341,029.55	115,205,862.33	115,821,145.32	725,746.56
Total Assets	\$ 1,341,029.55	\$ 115,205,862.33	\$ 115,821,145.32	\$ 725,746.56
Liabilities:				
Accounts Payable	1,180,095.52	98,605,481.66	99,381,377.33	404,199.85
Funds Held for Others	160,934.03	115,205,862.33	115,045,249.65	321,546.71
Total Liabilities	\$ 1,341,029.55	\$ 213,811,343.99	\$ 214,426,626.98	\$ 725,746.56
Direct Deposit Correction Account (0980)				
Assets:				
Cash in State Treasury	0.00	155,439.84	155,439.84	0.00
Total Assets	\$ 0.00	\$ 155,439.84	\$ 155,439.84	\$ 0.00
Liabilities:				
Funds Held for Others	0.00	155,439.84	155,439.84	0.00
Total Liabilities	\$ 0.00	\$ 155,439.84	\$ 155,439.84	\$ 0.00
Unappropriated GR (1000)				
Assets:				
Cash in State Treasury	0.00	115,637,320.75	115,637,320.75	0.00
Total Assets	\$ 0.00	\$ 115,637,320.75	\$ 115,637,320.75	\$ 0.00
Liabilities:				
Accounts Payable	0.00	56,324.22	56,324.22	0.00
Funds Held for Others	0.00	115,637,165.75	115,637,165.75	0.00
Total Liabilities	\$ 0.00	\$ 115,693,489.97	\$ 115,693,489.97	\$ 0.00
Total - All Agency Funds				
Assets:				
Cash in State Treasury	14,805,012.01	358,126,813.63	356,582,713.52	16,349,112.12
Accounts Receivable	0.00	0.00	0.00	0.00
Total Assets	\$ 14,805,012.01	\$ 358,126,813.63	\$ 356,582,713.52	\$ 16,349,112.12
Liabilities:				
Accounts Payable	1,180,095.52	121,354,477.44	122,130,373.11	404,199.85
Funds Held for Others	13,624,916.49	358,127,483.31	355,807,487.53	15,944,912.27
Total Liabilities	\$ 14,805,012.01	\$ 479,481,960.75	\$ 477,937,860.64	\$ 16,349,112.12

(Exhibit VI)

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

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SCHEDULES

-UNAUDITED-

**SCHEDULE 1A
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended August 31, 2019**

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

Note 2 - Reconciliation

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

Exhibit II

Federal Revenues	\$ 224,257.93
Federal Pass-Through Revenues	0.00
Total	<u>\$ 224,257.93</u>

Texas Department of Motor Vehicles (608)

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	Non-State Entities Amount		
\$ 224,257.93	\$ 224,257.93				\$ 224,257.93	\$ 224,257.93
<u>\$ 224,257.93</u>	<u>\$ 224,257.93</u>		<u>0.00</u>	<u>0.00</u>	<u>\$ 224,257.93</u>	<u>\$ 224,257.93</u>
<u>\$ 224,257.93</u>	<u>\$ 224,257.93</u>		<u>0.00</u>	<u>0.00</u>	<u>\$ 224,257.93</u>	<u>\$ 224,257.93</u>

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