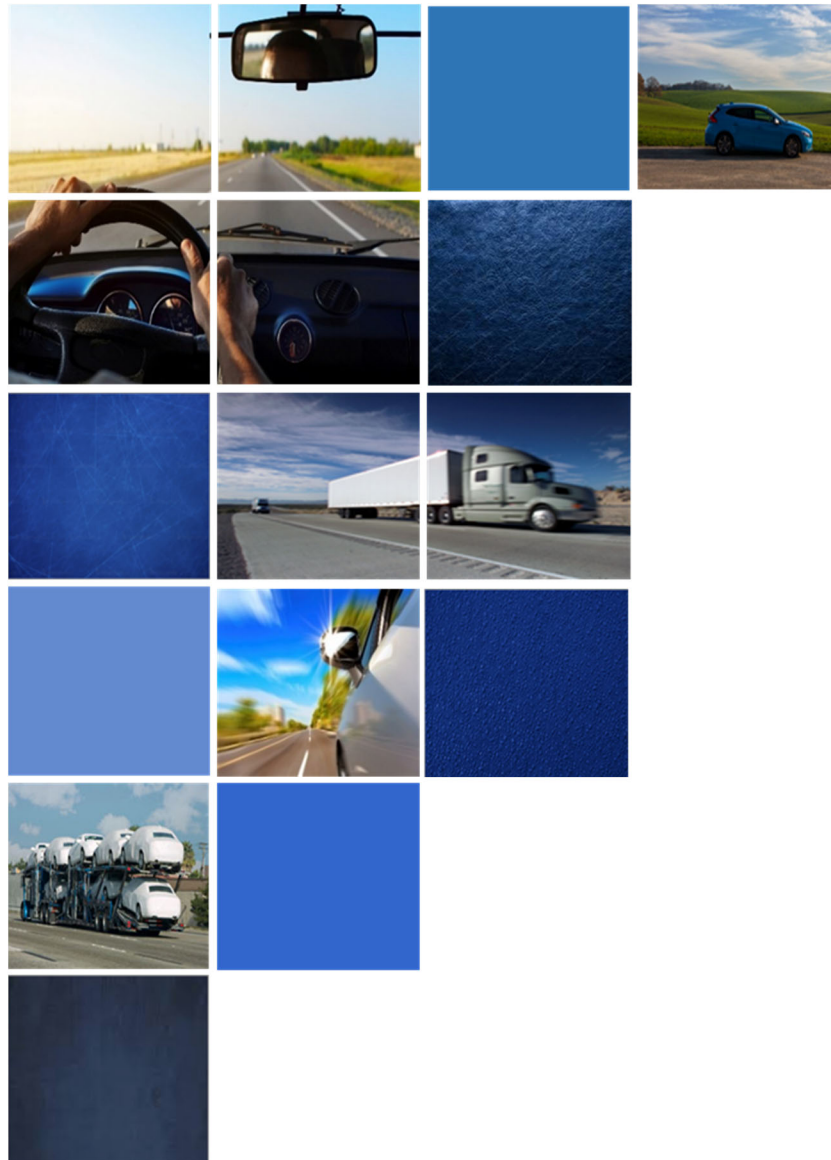




Texas Department *of* Motor Vehicles

Annual Financial Report

Fiscal Year Ended August 31, 2022



Annual Financial Report

Fiscal Year Ended August 31, 2022



Texas Department *of* Motor Vehicles

Prepared by the
Finance & Administrative Services Division

November 20, 2022

Texas Department of Motor Vehicles Board

Charles Bacarisse, Chair

Tammy McRae
Christian Alvarado
Stacey Gillman
Brett Graham

Sharla Omumu
John M. Prewitt
Manuel "Manny" Ramirez
Paul R. Scott

Daniel Avitia
Executive Director

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November 20, 2022

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, 2022, 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 *Annual Comprehensive Financial Report (ACFR)*; 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 black ink, appearing to read "D. Avitia".

Daniel Avitia
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, 2022

	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	0.00	0.00			0.00
Cash in State Treasury	33,207,511.51	191,801,096.53	225,008,608.04			225,008,608.04
Legislative Appropriations	12,170,735.66	0.00	12,170,735.66			12,170,735.66
Receivables:						
Federal	0.00	0.00	0.00			0.00
Accounts Receivable	0.00	128,919,688.10	128,919,688.10			128,919,688.10
Due From Other Funds (Note 12)	0.00	0.00	0.00			0.00
Due From Other Agencies (Note 12)	0.00	0.00	0.00			0.00
Consumable Inventories	0.00	1,015,460.91	1,015,460.91			1,015,460.91
Total Current Assets	45,378,247.17	321,773,345.54	367,151,592.71			367,151,592.71
Non - Current Assets:						
Capital Assets:						
Non - Depreciable						
Land and Land Improvements						
Depreciable						
Buildings and Building Improvements						
Less - Accumulated Depreciation						
Right to Use Asset- Buildings (Note 2)						
Less - Accumulated Amortization (Note 2)						
Furniture and Equipment						
Less - Accumulated Depreciation						
Vehicles, Boats, & Aircraft						
Less - Accumulated Depreciation						
Intangibles Computer Software						
Less - Accumulated Amortization						
Total Non Current Assets				3,975,659.65		3,975,659.65
Total Assets	\$ 45,378,247.17	\$ 321,773,345.54	\$ 367,151,592.71	\$ 3,975,659.65	\$ 0.00	\$ 371,127,252.36

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

-UNAUDITED-

EXHIBIT I
(Continued)

	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	\$ 564,469.03	\$ 1,007,783.01	\$ 1,572,252.04	\$	\$	\$ 1,572,252.04
Accounts Payable	1,186,109.71	8,947,969.75	10,134,079.46			10,134,079.46
Payroll Payable	50,216.38	5,107,491.39	5,157,707.77			5,157,707.77
Due to Other Funds (Note 12)	0.00	0.00	0.00			0.00
Due to Other Agencies (Note 12)	210,463.36	0.00	210,463.36			210,463.36
Unearned Revenue	(157,405.96)	678,154.96	520,749.00			520,749.00
Other Intergovernment Payable	7,391,064.05		7,391,064.05			7,391,064.05
Employees Compensable Leave (Note 5)					3,176,706.99	3,176,706.99
Right to Use Lease Obligations (Note 5)					722,495.15	722,495.15
Interest Payable					1,447.39	1,447.39
Total Current Liabilities	9,244,916.57	15,741,399.11	24,986,315.68	0.00	3,900,649.53	28,886,965.21
Non-Current Liabilities:						
Employees' Compensable Leave (Note 5)					1,709,603.12	1,709,603.12
Right to Use Lease Obligations (Note 5)					1,857,675.71	1,857,675.71
Total Non-Current Liabilities				0.00	3,567,278.83	3,567,278.83
Total Liabilities	9,244,916.57	15,741,399.11	24,986,315.68	0.00	7,467,928.36	32,454,244.04
Fund Financial Statement						
Fund Balances:						
Non Spendable (Inventory)	0.00	1,015,460.91	1,015,460.91			1,015,460.91
Restricted	0.00	305,016,485.52	305,016,485.52			305,016,485.52
Committed	25,080,336.07	0.00	25,080,336.07			25,080,336.07
Assigned	0.00	0.00	0.00			0.00
Unassigned	11,052,994.53	0.00	11,052,994.53			11,052,994.53
Total Fund Balances	36,133,330.60	306,031,946.43	342,165,277.03			342,165,277.03
Total Liabilities and Fund Balance	\$ 45,378,247.17	\$ 321,773,345.54	\$ 367,151,592.71			
Government-Wide Statement of Net Assets						
Net Assets:						
Invested in Capital Assets, Net of Related Debt				\$ 3,975,659.65	\$	\$ 3,975,659.65
Unrestricted					(7,467,928.36)	(7,467,928.36)
Total Net Assets				\$ 3,975,659.65	\$ (7,467,928.36)	\$ 338,673,008.32

-UNAUDITED-

EXHIBIT II
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
Statement of Activities - Governmental Funds
For the Year Ended August 31, 2022

	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	\$ 14,979,605.00	\$ 0.00	\$ 14,979,605.00	\$	\$	\$ 14,979,605.00
Additional Appropriations	109,359.18	0.00	109,359.18			109,359.18
Federal Revenues	0.00	220,967.41	220,967.41			220,967.41
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	5,039.68	1,886,500,974.95	1,886,506,014.63			1,886,506,014.63
Interest & Investment Income	1,261.39	888,527.63	889,789.02			889,789.02
Settlement of Claims	0.00	0.00	0.00			0.00
Sales of Goods and Services	0.00	246,336.48	246,336.48			246,336.48
Other	2,228.18	31,769.94	33,998.12			33,998.12
Total Revenues	15,097,493.43	1,887,888,576.41	1,902,986,069.84			1,902,986,069.84
Expenditures						
Salaries and Wages	412,725.88	44,091,836.22	44,504,562.10		(98,820.05)	44,405,742.05
Payroll Related Costs	115,241.56	15,823,180.47	15,938,422.03			15,938,422.03
Professional Fees and Services	973,154.32	21,161,445.50	22,134,599.82			22,134,599.82
Travel	10,177.45	231,243.27	241,420.72			241,420.72
Materials and Supplies	19,808.42	20,606,379.65	20,626,188.07			20,626,188.07
Communications and Utilities	3,423.78	5,236,784.73	5,240,208.51			5,240,208.51
Repairs and Maintenance	(168,477.08)	2,875,983.87	2,707,506.79			2,707,506.79
Rentals and Leases	8,316.09	262,287.02	270,603.11			270,603.11
Printing and Reproduction	4,589.70	4,528,365.98	4,532,955.68			4,532,955.68
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	35,000.00	0.00	35,000.00			35,000.00
Intergovernmental Payments	12,402,797.29	0.00	12,402,797.29			12,402,797.29
Public Assistance Programs	0.00	0.00	0.00			0.00
Other Operating Expenditures	6,718.80	44,349,735.42	44,356,454.22		1,447.39	44,357,901.61
Debt Service Principal- RTU Leases	0.00	717,495.04	717,495.04		2,580,170.86	3,297,665.90
Capital Outlay	0.00	3,605,423.43	3,605,423.43	(3,605,423.43)		0.00
Depreciation Expense	0.00	0.00	0.00	1,262,412.58		1,262,412.58
Total Expenditures	13,823,476.21	163,490,160.60	177,313,636.81	(2,343,010.85)	2,482,798.20	177,453,424.16
Excess (Deficit) of Revenues over Expenditures	1,274,017.22	1,724,398,415.81	1,725,672,433.03	2,343,010.85	(2,482,798.20)	1,725,532,645.68
Other Financing Sources (Uses)						
Transfers In (Note 12)	(55,392.71)	(4,982,912.54)	(5,038,305.25)			(5,038,305.25)
Transfers Out (Note 12)	(335,774.71)	(1,712,709,899.19)	(1,713,045,673.90)	(651.43)		(1,713,046,325.33)
Increase in Obligations - Leases	0.00	3,297,665.90	3,297,665.90			3,297,665.90
Sale of Capital Assets	4,071.43	1,357.14	5,428.57	(5,428.57)		0.00
Legislative Financing Sources	0.00	0.00	0.00			0.00
Insurance Recoveries	0.00	0.00	0.00			0.00
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 Capital Assets	0.00	0.00	0.00	(37,073.27)		(37,073.27)
Inc (Dec) in Net Assets Due to Interagency Transfer	0.00	0.00	0.00			0.00
Total Other Financing Sources (Uses)	(387,095.99)	(1,714,393,788.69)	(1,714,780,884.68)	(43,153.27)	0.00	(1,714,824,037.95)
Net Change in Fund Balances/Net Assets	886,921.23	10,004,627.12	10,891,548.35	2,299,857.58	(2,482,798.20)	10,708,607.73
Fund Financial Statement - Fund Balance						
Fund Balance - Beginning	35,782,386.38	296,027,319.31	331,809,705.69			331,809,705.69
Restatements (Note 14)	0.00	0.00	0.00			0.00
Fund Balance as Restated	35,782,386.38	296,027,319.31	331,809,705.69			331,809,705.69
Appropriations Lapsed	(535,977.01)	0.00	(535,977.01)			(535,977.01)
Fund Balances - August 31, 2022	\$ 36,133,330.60	\$ 306,031,946.43	\$ 342,165,277.03			\$ 341,982,336.41
Government-wide Statement of Net Assets						
Net Change in Net Assets			\$ 342,165,277.03	2,299,857.58	(2,482,798.20)	\$ 341,982,336.41
Net Assets-Beginning				1,675,802.07	(4,985,130.16)	(3,309,328.09)
Restatements (Note 14)						0.00
Net Assets, September 1, 2022, as Restated and Adjusted				1,675,802.07	(4,985,130.16)	(3,309,328.09)
Net Assets-August 31, 2022			\$ 342,165,277.03	\$ 3,975,659.65	\$ (7,467,928.36)	\$ 338,673,008.32

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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. The department 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 department 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 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 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 Statement No. 84, *Fiduciary Activities*, 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, 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.

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.

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.

Right to Use Assets

Refers to leases. This represents the value of the lessee's right to control the use of the underlying asset, typically property or equipment, over the duration of an agreed-upon lease term.

LiabilitiesAccounts 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.

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 Texas Department of Motor Vehicles 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.

Right to Use Lease Obligations

This represents the obligation to pay the lease amount over the duration of an agreed-upon lease term.

Fund Balance/Net Assets

The difference between fund assets and liabilities is "Net Assets" on the government-wide 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, 2022, is presented below:

Governmental Activities	PRIMARY GOVERNMENT					
	Balance 09/01/21	Adjust/ Restate	Reclass	Additions	Deletions	Balance 08/31/22
Non-Depreciable Assets	\$	\$	\$	\$	\$	\$
Total Non-Depreciable Assets						
Depreciable Assets						
Buildings/Building Improvements						
Furniture and Equipment	5,016,560.20	8,365.00		287,214.53	(136,116.75)	5,176,022.98
Vehicles, Boats, & Aircraft	1,336,398.16			20,543.00	(64,184.00)	1,292,757.16
Other Assets						
Total Depreciable Assets	6,352,958.36	8,365.00		307,757.53	(200,300.75)	6,468,780.14
Less Accumulated Depreciation for:						
Buildings/Building Improvements						
Furniture and Equipment	(4,063,349.25)	(8,365.00)		(368,731.26)	105,800.28	(4,334,645.23)
Vehicles, Boats, & Aircraft	(625,026.00)			(155,367.12)	51,347.20	(729,045.92)
Other Capital Assets						
Total Accumulated Depreciation	(4,688,375.29)	(8,365.00)		(524,098.38)	157,147.48	(5,063,691.15)
Depreciable Assets, Net	1,664,583.11	0.00		(216,340.85)	(43,153.27)	1,405,088.99
Amortizable Assets – Intangible:						
Land Use Rights						
Computer Software	3,875,591.07				(112,188.16)	3,763,402.91
Other Capital Intangible						
Total Amortizable Assets – Intangible	3,875,591.07				(112,188.16)	3,763,402.91
Less Accumulated Amortization for:						
Land Use Rights						
Computer Software	(3,864,372.11)			(11,218.96)	112,188.16	(3,763,402.91)
Other Capital Intangible						
Total Accumulated Amortization	(3,864,372.11)			(11,218.96)	112,188.16	(3,763,402.91)
Amortizable Assets – Intangible, Net	11,218.96			(11,218.96)	0.00	0.00
Governmental Activities Capital Assets, Net	1,675,802.07			(227,559.81)	(43,153.27)	1,405,088.99

Note 2, continued: INTANGIBLE RTU ASSETS

A summary of Intangible Right to Use Assets for the year ended August 31, 2022, is presented below:

Governmental Activities	PRIMARY GOVERNMENT					
	Balance 09/01/21	Adjust/ Restate	Reclass	Additions	Deletions	Balance 08/31/22
Amortizable Assets-IRTU:	\$	\$	\$	\$	\$	\$
Building & Building Improvements				3,297,665.90		\$3,297,665.90
Facilities & Other Improvements						
Land & Land Improvements						
Infrastructure						
Equipment						
Vehicles						
Total Amortizable IRTU Assets				3,297,665.90		3,297,665.90
Less Accumulated Amortization IRTU for:	\$	\$	\$	\$	\$	\$
Building & Building Improvements				(727,095.24)		(727,095.24)
Facilities & Other Improvements						
Land & Land Improvements						
Infrastructure						
Equipment						
Vehicles						
Total Accumulated Amortization - IRTU				(727,095.24)		(727,095.24)
Governmental Activities, IRTU Assets, Net				2,570,570.66		2,570,570.66

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

Texas Department of Motor Vehicles previously had a Travel Advance account with Bank of America, but it was closed in May 2022. As of August 31, 2022, the carrying amount of deposits was \$0.00, as presented below:

	Amount
Cash in Bank – Carrying Amount	\$0.00
Total Cash in Bank (Exhibit I)	\$0.00

NOTE 4: SHORT-TERM DEBT

Not Applicable

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

During the year ended August 31, 2022, the following changes occurred in liabilities:

Governmental Activities	Balance 9/01/21	Additions	Reductions	Balance 8/31/22	Amounts Due Within Year	Amounts Due Thereafter
Compensable Leave	\$4,985,130.16	\$5,235,331.28	\$5,334,151.33	\$4,886,310.11	\$3,176,706.99	\$1,709,603.12
Right to Use Lease Obligations	\$0.00	\$2,580,170.86	0.00	\$2,580,170.86	\$722,495.15	\$1,857,675.71
Total Long-Term Liabilities	\$4,985,130.16	\$7,815,502.14	\$5,334,151.33	\$7,466,480.97	\$3,899,202.14	\$3,567,278.83

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

Right to Use Lease Obligations

According to GASB Statement No. 87, *Leases*, a lease is a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified by the contract, for a period of time, in an exchange or exchange-like transaction. Leases include contracts that, although not explicitly identified as leases, meet this definition. The numbers above represent lease obligations for the seven Regional Service Centers that TxDMV leases: Corpus Christi, Dallas, El Paso, Fort Worth, Houston, San Antonio, and Waco.

NOTE 6: BONDED INDEBTEDNESS

Not Applicable

NOTE 7: DERIVATIVE INSTRUMENTS

Not Applicable

NOTE 8: LEASES**Lease Liability- Buildings**

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

Fund Type	Amount
Fund 0010	\$737,511.84

Note: Minimum future lease payments for noncancelable leases of more than one year for each of the next five fiscal years and five-year increments thereafter are as follows:

Year Ended August 31,	Principal	Interest	Total Future Min. Lease Payments
2023	\$722,495.15	\$18,023.87	\$740,519.02
2024	\$726,855.84	\$14,264.63	\$741,120.47
2025	\$416,211.03	\$10,810.11	\$427,021.14
2026	\$196,887.05	\$8,480.16	\$205,367.21
2027	\$164,144.37	\$6,552.77	\$170,697.14
2028-2032	\$353,577.42	\$15,014.03	\$368,591.45
Total Minimum Future Lease Rental Payments	\$ 2,580,170.86	\$ 73,145.57	\$ 2,653,316.43

Lease Liability- Copiers and Meters

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

Fund Type	Amount
Fund 0001	\$3,550.80
Fund 0010	\$161,191.59

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

Year Ended August 31,	Total Future Min. Lease Payments
2023	\$164,742.39
2024	\$90,455.16
2025	\$36,772.75
2026	\$16,147.22
2027	\$949.18
Total Minimum Future Lease Rental Payments	\$473,809.09

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, 2022, are as follows:

	Transfer In	Transfer Out	Source
General Revenue (01)			
Appd Fund 0802, D23 fund 0802			
Agy 300, D23 fund 0803		(6,143.36)	Shared Fund
Agy 300, D23 fund 0804	8,723.32		Shared Fund
Agy 300, D23 fund 0805	9,140.79	(1,479.67)	Shared Fund
Agy 300, D23 fund 0807	1,756.07	(50.13)	Shared Fund
Agy 300, D23 fund 0808	53.15		Shared Fund
Agy 300, D23 fund 0809	1,710.26		Shared Fund
Agy 302, D23 fund 0804		(5,504.61)	Shared Fund
Agy 302, D23 fund 0805		4,731.88	Shared Fund
Agy 305, D23 fund 0015	5,639.31		Shared Fund
Agy 306, D23 fund 0802	1,825.95		Shared Fund
Agy 307, D23 fund 0802	1,042.80		Shared Fund
Agy 332, D23 fund 0802	5,276.85	(96.91)	Shared Fund
Agy 403, D23 fund 3005	(89.08)		Shared Fund
Agy 403, D23 fund 3006	(80.04)		Shared Fund
Agy 403, D23 fund 3008	(44.00)		Shared Fund
Agy 403, D23 fund 3009	7,021.64		Shared Fund
Agy 407, D23 fund 0802	(2,559.36)	3,537.90	Shared Fund
Agy 411, D23 fund 0802	(1,591.58)		Shared Fund
Agy 506, D23 fund 0802	1,308.83		Shared Fund
Agy 529, D23 fund 0802	(14,306.31)	(3,279.32)	Shared Fund
Agy 530, D23 fund 0802		1,185.81	Shared Fund
Agy 537, D23 fund 0802	4,516.50		Shared Fund
Agy 537, D23 fund 0803	3,200.19	(5,741.04)	Shared Fund

	Transfer In	Transfer Out	Source
Agy 537, D23 fund 0804	853.43		Shared Fund
Agy 537, D23 fund 0805	3,652.01		Shared Fund
Agy 542, D23 fund 0802	7,663.34		Shared Fund
Agy 542, D23 fund 4100	29.36		Shared Fund
Agy 542, D23 fund 4200	233.94		Shared Fund
Agy 551, D23 fund 0802	2,970.12		Shared Fund
Agy 555, D23 fund 1802		3,740.40	Shared Fund
Agy 555, D23 fund 2802	3,394.05		Shared Fund
Agy 555, D23 fund 3802	808.32		Shared Fund
Agy 555, D23 fund 4802	8,882.94		Shared Fund
Agy 576, D23 fund 0802	13,384.73		Shared Fund
Agy 582, D23 fund 0802	1,088.22		Shared Fund
Agy 701, D23 fund 2242	(42.65)	(42.65)	Shared Fund
Agy 701, D23 fund 2250	(157.61)	(157.61)	Shared Fund
Agy 701, D23 fund 2270	(178.97)	(178.97)	Shared Fund
Agy 701, D23 fund 2271	(150.71)	(150.71)	Shared Fund
Agy 701, D23 fund 2273	(190.18)	(190.18)	Shared Fund
Agy 701, D23 fund 2274	(421.08)	(421.08)	Shared Fund
Agy 701, D23 fund 2275	22.00	22.00	Shared Fund
Agy 711, D23 fund 0802	(69,407.60)	(69,348.34)	Shared Fund
Agy 714, D23 fund 0802		(4,520.18)	Shared Fund
Agy 715, D23 fund 0802		93,282.24	Shared Fund
Agy 717, D23 fund 0802	4,370.47		Shared Fund
Agy 718, D23 fund 0802	(6,908.26)	(6,908.26)	Shared Fund
Agy 721, D23 fund 0802		214,711.71	Shared Fund
Agy 724, D23 fund 0802		(2,329.45)	Shared Fund
Agy 730, D23 fund 0802	(4,860.47)	2,024.88	Shared Fund
Agy 732, D23 fund 0802	1,956.70		Shared Fund
Agy 733, D23 fund 0802	(4,254.59)		Shared Fund
Agy 734, D23 fund 0802	3.80		Shared Fund
Agy 735, D23 fund 0802		1.00	Shared Fund
Agy 737, D23 fund 0802	(687.66)		Shared Fund
Agy 738, D23 fund 0802	1,441.28		Shared Fund
Agy 746, D23 fund 0802	(523.88)		Shared Fund
Agy 751, D23 fund 0802	(1,897.86)		Shared Fund
Agy 752, D23 fund 0802		(13,082.44)	Shared Fund
Agy 753, D23 fund 0802	2,337.03		Shared Fund
Agy 754, D23 fund 0802		(20,404.20)	Shared Fund
Agy 755, D23 fund 0802	4,852.41	(1,181.37)	Shared Fund
Agy 756, D23 fund 0802	1,376.64		Shared Fund
Agy 759, D23 fund 0802		(146.84)	Shared Fund
Agy 765, D23 fund 0802		6.10	Shared Fund
Agy 781, D23 fund 4003	1,741.54		Shared Fund
Agy 781, D23 fund 4004	304.74		Shared Fund
Agy 781, D23 fund 4005	895.53		Shared Fund
Agy 781, D23 fund 4006	110.18		Shared Fund

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	Transfer In	Transfer Out	Source
Agy 781, D23 fund 4007	578.05		Shared Fund
Agy 781, D23 fund 4008	190.66		Shared Fund
Agy 781, D23 fund 4009	(76.99)		Shared Fund
Agy 781, D23 fund 4010	(1.68)		Shared Fund
Agy 781, D23 fund 4011	1,677.81		Shared Fund
Agy 781, D23 fund 4012	1,069.67		Shared Fund
Agy 781, D23 fund 4013	293.58		Shared Fund
Agy 781, D23 fund 4014	649.61		Shared Fund
Agy 781, D23 fund 4015	106.54		Shared Fund
Agy 781, D23 fund 4016	86.42		Shared Fund
Agy 781, D23 fund 4017	557.86		Shared Fund
Agy 781, D23 fund 4018	154.24		Shared Fund
Agy 781, D23 fund 4019	97.47		Shared Fund
Agy 781, D23 fund 4020	(47.27)		Shared Fund
Agy 781, D23 fund 4021	148.67		Shared Fund
Agy 781, D23 fund 4022	123.12		Shared Fund
Agy 781, D23 fund 4023	166.85		Shared Fund
Agy 781, D23 fund 4025	(44.00)		Shared Fund
Agy 781, D23 fund 4026	(5,257.55)		Shared Fund
Agy 781, D23 fund 4027	407.03		Shared Fund
Agy 783, D23 fund 0802	(461.69)		Shared Fund
Agy 802, D23 fund 3030		19,751.67	Shared Fund
Agy 802, D23 fund 3042	20,398.02	3,099.24	Shared Fund
Agy 802, D23 fund 3043		30,517.55	Shared Fund
Agy 802, D23 fund 3044	15,762.13	64,189.21	Shared Fund
Agy 802, D23 fund 3045		58,598.55	Shared Fund
Agy 802, D23 fund 3046	4,376.90	(22,548.43)	Shared Fund
Agy 802, D23 fund 3047		36,993.68	Shared Fund
Agy 802, D23 fund 3048	5,915.82	(4,792.83)	Shared Fund
Agy 802, D23 fund 3049	(2,311.97)	(19,283.12)	Shared Fund
Agy 802, D23 fund 3050	423.69	(10,711.45)	Shared Fund
Agy 802, D23 fund 3051	3,233.55	(33.40)	Shared Fund
Agy 802, D23 fund 3052	4,192.85		Shared Fund
Agy 802, D23 fund 3057	(511.10)	2,586.11	Shared Fund
Agy 802, D23 fund 3116		(5,873.12)	Shared Fund
Agy 802, D23 fund 3120	5,690.40	(2,306.98)	Shared Fund
Agy 802, D23 fund 3142	(314.10)	(3.28)	Shared Fund
Agy 802, D23 fund 3151	(364.20)	(365.58)	Shared Fund
Agy 802, D23 fund 3152		(1.74)	Shared Fund
Agy 802, D23 fund 3153	272.48	0.30	Shared Fund

	Transfer In	Transfer Out	Source
Agy 902, D23 fund 0001		4,071.43	Surplus Property
Total Transfer In/Out Other Agencies	(55,392.71)	335,774.71	
Special Revenue (02)			
Appd Fund 0006, D23 fund 0006			
Agy 601, D23 fund 0006		1,712,709,899.19	Shared Cash
Appd Fund 0006, D23 fund 0006			
Agy 454, D23 fund 0006	(4,982,912.54)		TexasSure
Total Transfers In/Out	(5,038,305.25)	1,713,045,673.90	

	Due from Other Agencies	Due to Other Agencies	Source
General Revenue (01)			
Appd Fund 0001, D23 fund 0001			
Agy 711, D23 fund 0001		7,500.00	State Pass-Through
Appd Fund 0802, D23 fund 0802			
Agy 701, D23 fund 2242		918.35	Shared Fund
Agy 701, D23 fund 2250		2,432.60	Shared Fund
Agy 701, D23 fund 2260		44.00	Shared Fund
Agy 701, D23 fund 2270		2,351.74	Shared Fund
Agy 701, D23 fund 2271		1,584.09	Shared Fund
Agy 701, D23 fund 2273		4,643.18	Shared Fund
Agy 701, D23 fund 2274		3,046.53	Shared Fund
Agy 701, D23 fund 2275		22.00	Shared Fund
Agy 711, D23 fund 0802		56,906.14	Shared Fund
Agy 718, D23 fund 0802		24,750.41	Shared Fund
Agy 802, D23 fund 3042		3,467.11	Shared Fund
Agy 802, D23 fund 3043		5,230.66	Shared Fund
Agy 802, D23 fund 3044		74,502.84	Shared Fund
Agy 802, D23 fund 3045		2,266.80	Shared Fund
Agy 802, D23 fund 3046		2,538.82	Shared Fund
Agy 802, D23 fund 3047		2,447.59	Shared Fund
Agy 802, D23 fund 3048		1,723.04	Shared Fund
Agy 802, D23 fund 3049		1,723.04	Shared Fund
Agy 802, D23 fund 3050		750.00	Shared Fund
Agy 802, D23 fund 3151		4,938.88	Shared Fund
Agy 802, D23 fund 3152		6,675.54	Shared Fund
Total Due From/ To Other Agencies		210,463.36	

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

Not Applicable

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

The Texas Department of Motor Vehicles 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, 2022, the department had encumbered the following amounts in governmental funds for signed contracts and purchase orders:

	General Revenue Fund (0001)	Texas Department of Motor Vehicles Fund (0010)
Encumbrances	\$6,017,121.54	\$2,191,987.86

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).

Fiscal Year 2022 revenues for all funds totaled \$1.90 billion. This represents an increase of \$39.34 million or 2.1% compared to FY 2021 revenues of \$1.86 billion. Of the FY 2022 amount, \$1.70 billion was deposited into the State Highway Fund, \$186.36 million was deposited into the TxDMV Fund and \$15.09 million was deposited to General Revenue for use by MVCPA.

The increase in overall revenue is partially attributable to an uptick in registration-related collections. Motor-carrier oversize/overweight permit revenue also was higher in FY 2022 as compared to FY 2021, due to increased activity in the oil-and-gas and construction sectors.

There was also an increase in certain title-related collections, primarily the delinquent title transfer penalty. An FY 2020 executive order from the governor waived customer payment of transfer penalties starting in mid-March 2020; the waiver ended in mid-April 2021. Therefore, FY 2022 included a full fiscal year of collection of this fee, whereas FY 2021 included only a partial fiscal year of collections of the fee.

In FY 2022, Capital Budget Expenditures totaled \$20 million, primarily consisting of expenditures for the Data Center Consolidation services (\$10.1 million); TxDMV Automation project (\$6.0 million); County Technology Replacement (\$2.0 million); and \$1.3 million for the International Registration Plan upgrade. The remaining capital obligations are for other information resources projects, Regional Service Centers Maintenance, Replacement Vehicles, and Headquarters Maintenance. The FY 2022 capital project budget includes \$16.9 million in funds carried forward from FY 2021; most of the carry forward is for the TxDMV Automation System capital budget.

FY 2022 expenditures totaled \$177.45 million, an increase of \$7.48 million, or 4.40% compared to FY 2021 expenditures of \$169.97 million. The primary factors contributing to the increase include 1) increased salary and benefit costs of approximately \$1.6 million due to salary equity adjustments for eligible employees; 2) an increase in Materials and Supplies of \$1.3 million due to the purchase of laptops for the counties and Regional Service Centers (RSC); and 3) an increase of \$3.4 million in Other Operating Expenditures for a payment to Texas Facilities Commission (TFC) for the design services of the new headquarters building for the Camp Hubbard Renewal project. These increases are offset by a reduction in Professional Fees expenditures of \$2.3 million, which is attributable to the completion of the FY 2021 Automation project for webDEALER.

The Texas Comptroller's implementation of GASB Statement No. 87, *Leases* (GASB 87) in FY 2022 had a material impact on TxDMV's financial statements. Long-term leases for RSC offices are now classified as right to use assets, totaling \$3.3 million, on Exhibit I. Corresponding long-term liabilities (Note 5) and amortization expense (Note 2) also increased as a result. Exhibit II includes offsetting increases of \$3.3 million in expenditures and other financing sources compared to FY 2021 due to the new reporting requirements of GASB 87.

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	\$186,424,350.80	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.

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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, 2022**

	<u>General Revenue Account (0001)</u>	<u>License Plate Trust Fund Account (0802)</u>	<u>Deposit Default Fund (9000)</u>	<u>USPS Overpayments to Employees Account (9015)</u>	<u>General Revenue Agency Funds (1001)</u>
Assets					
Current Assets:					
Cash on Hand	\$	\$	\$	\$	
Cash in Bank					
Cash in State Treasury	0.00	3,878,329.88	71.66	387.93	529.11
Legislative Appropriations	12,170,735.66				
Receivables:					
Federal					
Accounts Receivable					
Due From Other Funds (Note 12)					
Due From Other Agencies (Note 12)					
Consumable Inventories					
Total Current Assets	<u><u>12,170,735.66</u></u>	<u><u>3,878,329.88</u></u>	<u><u>71.66</u></u>	<u><u>387.93</u></u>	<u><u>529.11</u></u>
Liabilities					
Current Liabilities					
Payables:					
Vouchers Payable	36,230.40				
Accounts Payable	1,186,109.71				
Payroll Payable	46,295.68				
Due to Other Funds (Note 12)					
Due to Other Agencies (Note 12)	7,500.00	202,963.36			
Unearned Revenue				387.93	(157,793.89)
Other Intergovernmental Payable					
Total Current Liabilities	<u><u>1,276,135.79</u></u>	<u><u>202,963.36</u></u>	<u><u>0.00</u></u>	<u><u>387.93</u></u>	<u><u>(157,793.89)</u></u>
Fund Balances					
Non Spendable (Inventory)					
Restricted					
Committed		3,675,366.52			
Assigned					
Unassigned	10,894,599.87		71.66		158,323.00
Total Fund Balance	<u><u>10,894,599.87</u></u>	<u><u>3,675,366.52</u></u>	<u><u>71.66</u></u>	<u><u>0.00</u></u>	<u><u>158,323.00</u></u>
Total Liabilities and Fund Balances	\$ <u><u>12,170,735.66</u></u>	\$ <u><u>3,878,329.88</u></u>	\$ <u><u>71.66</u></u>	\$ <u><u>387.93</u></u>	<u><u>529.11</u></u>

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EXHIBIT A-1 (CONTINUED)
COMBINING BALANCE SHEET
All General and Consolidated Funds

	<u>Suspense Type Activities Account (0900)</u>	<u>Intermodal Container & Milk Transport Account (1623)</u>	<u>Proportional Registration Distributive Fund Account (0021)</u>	<u>Child Support Employee Deduction Account (8070)</u>	<u>Total</u>
Assets					
Current Assets:					
Cash on Hand	\$	\$	\$	\$	\$ 0.00
Cash in Bank					0.00
Cash in State Treasury	802,182.68	342,240.00	28,179,849.55	3,920.70	33,207,511.51
Legislative Appropriations					12,170,735.66
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
Total Current Assets	<u>802,182.68</u>	<u>342,240.00</u>	<u>28,179,849.55</u>	<u>3,920.70</u>	<u>45,378,247.17</u>
Liabilities					
Current Liabilities					
Payables:					
Vouchers Payable	528,238.63				564,469.03
Accounts Payable					1,186,109.71
Payroll Payable				3,920.70	50,216.38
Due to Other Funds (Note 12)					0.00
Due to Other Agencies (Note 12)					210,463.36
Unearned Revenue					(157,405.96)
Other Intergovernmental Payable	179,118.47	330,717.60	6,881,227.98		7,391,064.05
Total Current Liabilities	<u>707,357.10</u>	<u>330,717.60</u>	<u>6,881,227.98</u>	<u>3,920.70</u>	<u>9,244,916.57</u>
Fund Balances					
Non Spendable (Inventory)					0.00
Restricted					0.00
Committed	94,825.58	11,522.40	21,298,621.57		25,080,336.07
Assigned					0.00
Unassigned				-	11,052,994.53
Total Fund Balance	<u>94,825.58</u>	<u>11,522.40</u>	<u>21,298,621.57</u>	<u>0.00</u>	<u>36,133,330.60</u>
Total Liabilities and Fund Balances	\$ <u>802,182.68</u>	\$ <u>342,240.00</u>	\$ <u>28,179,849.55</u>	\$ <u>3,920.70</u>	\$ <u>45,378,247.17</u>

-UNAUDITED-

**EXHIBIT B-1
COMBINING BALANCE SHEET
Special Revenue Funds
For Fiscal Year Ended August 31, 2022**

	<u>State Highway Fund (0006)</u>	<u>Texas Department of Motor Vehicles Fund (0010)</u>	<u>Suspense Type Activities Fund (0900)</u>	<u>Total</u>
Assets				
Current Assets:				
Cash on Hand	\$	\$ 37,100.00	\$	\$ 37,100.00
Cash in Bank				0.00
Cash in State Treasury	0.00	191,801,096.53		191,801,096.53
Legislative Appropriations				0.00
Receivables:				
Federal				0.00
Accounts Receivable	118,592,134.72	10,327,553.38		128,919,688.10
Due From Other Funds (Note 12)				0.00
Due From Other Agencies (Note 12)				0.00
Consumable Inventories		1,015,460.91		1,015,460.91
Total Current Assets	118,592,134.72	203,181,210.82	0.00	321,773,345.54
Liabilities				
Current Liabilities				
Payables:				
Vouchers Payable		1,007,783.01		1,007,783.01
Accounts Payable		8,947,969.75		8,947,969.75
Payroll Payable		5,107,491.39		5,107,491.39
Unearned Revenues		678,154.96		678,154.96
Due to Other Funds (Note 12)				0.00
Due to Other Agencies (Note 12)				0.00
Total Current Liabilities	0.00	15,741,399.11	0.00	15,741,399.11
Fund Balances				
Non Spendable (Inventory)		1,015,460.91		1,015,460.91
Restricted	118,592,134.72	186,424,350.80		305,016,485.52
Committed				0.00
Assigned				0.00
Unassigned				0.00
Total Fund Balance	118,592,134.72	187,439,811.71	0.00	306,031,946.43
Total Fund Balance as Restated	118,592,134.72	187,439,811.71	0.00	306,031,946.43
Total Liabilities and Fund Balances	\$ 118,592,134.72	\$ 203,181,210.82	\$ 0.00	\$ 321,773,345.54

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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, 2022

	General Revenue Account (0001)	License Plate Trust Fund Account (0802)	Deposit Default Fund (9000 and 9001)	Suspense Type Activities Account (0900)
Revenues				
Legislative Appropriations:				
Original Appropriations	\$ 14,979,605.00			
Additional Appropriations	109,359.18			
Federal Pass-Through				
State Grant Pass -Through				
Licenses, Fees and Permits		5,740.98		
Interest & Investment Income		1,261.39		
Settlement of Claims				
Sales of Goods and Services				
Other Revenues			12,000.86	(10,784.21)
Total Revenues	15,088,964.18	7,002.37	12,000.86	(10,784.21)
Expenditures				
Salaries and Wages	412,725.88			
Payroll Related Costs	115,241.56			
Professional Fees and Services	973,154.32			
Travel	10,177.45			
Materials and Supplies	19,808.42			
Communications and Utilities	3,423.78			
Repairs and Maintenance	(168,477.08)			
Rentals and Leases	8,316.09			
Printing and Reproduction	4,589.70			
Claims and Judgements				
Federal Pass-Through Expenditures				
State Grant Pass-Through Expenditures	35,000.00			
Intergovernmental Payments	12,402,797.29			
Public Assistance Payments				
Other Operating Expenditures	6,718.80			
Capital Outlay				
Total Expenditures	13,823,476.21	0.00	0.00	0.00
Excess (Deficit) of Revenues over Expenditures	1,265,487.97	7,002.37	12,000.86	(10,784.21)
Other Financing Sources (Uses)				
Operating Transfers In (Note 12)		(55,392.71)		
Operating Transfers Out (Note 12)	(4,071.43)	(331,703.28)		
Insurance Recoveries				
Sale of Capital Assets	4,071.43			
Legislative Financing Sources				
Legislative Financing Uses				
Legislative Transfers In (Note 12)				
Legislative Transfers Out (Note 12)				
Total Other Financing Sources (Uses)	0.00	(387,095.99)	0.00	0.00
Excess (Deficit) of Revenues and other Sources Over Expenditures and Other Uses	1,265,487.97	(380,093.62)	12,000.86	(10,784.21)
Fund Balance - Beginning	10,165,088.91	4,055,460.14	(11,929.20)	94,819.08
Restatements (Note 14)				
Fund Balance As Restated	\$ 10,165,088.91	4,055,460.14	(11,929.20)	94,819.08
Appropriations Lapsed	(535,977.01)			
Fund Balance - Ending	10,894,599.87	\$ 3,675,366.52	\$ 71.66	\$ 84,034.87

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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, 2022

	Intermodal Container & Milk Transport Account (1623)	Proportional Registration Distributive Fund Account (0021)	General Revenue Fund- Agency Funds Account (1001)	Total
Revenues				
Legislative Appropriations:				
Original Appropriations	\$	\$	\$	\$ 14,979,605.00
Additional Appropriations				109,359.18
Federal Pass-Through				0.00
State Grant Pass -Through				0.00
Licenses, Fees and Permits			(701.30)	5,039.68
Interest & Investment Income				1,261.39
Settlement of Claims				0.00
Sales of Goods and Services				0.00
Other Revenues		922.99	88.54	2,228.18
Total Revenues	0.00	922.99	(612.76)	15,097,493.43
Expenditures				
Salaries and Wages				412,725.88
Payroll Related Costs				115,241.56
Professional Fees and Services				973,154.32
Travel				10,177.45
Materials and Supplies				19,808.42
Communications and Utilities				3,423.78
Repairs and Maintenance				(168,477.08)
Rentals and Leases				8,316.09
Printing and Reproduction				4,589.70
Claims and Judgements				0.00
Federal Pass-Through Expenditures				0.00
State Grant Pass-Through Expenditures				35,000.00
Intergovernmental Payments				12,402,797.29
Public Assistance Payments				0.00
Other Operating Expenditures				6,718.80
Capital Outlay				0.00
Total Expenditures	0.00	0.00	0.00	13,823,476.21
Excess (Deficit) of Revenues over Expenditures	0.00	922.99	(612.76)	1,274,017.22
Other Financing Sources (Uses)				
Operating Transfers In (Note 12)				(55,392.71)
Operating Transfers Out (Note 12)				(335,774.71)
Insurance Recoveries				0.00
Sale of Capital Assets				4,071.43
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	0.00	0.00	(387,095.99)
Excess (Deficit) of Revenues and other Sources Over Expenditures and Other Uses	0.00	922.99	(612.76)	886,921.23
Fund Balance - Beginning	11,522.40	21,308,489.29	158,935.76	35,782,386.38
Restatements (Note 14)				0.00
Fund Balance As Restated	11,522.40	21,308,489.29	158,935.76	35,782,386.38
Appropriations Lapsed				(535,977.01)
Fund Balance - Ending	\$ 11,522.40	\$ 21,309,412.28	\$ 158,323.00	\$ 36,133,330.60

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EXHIBIT B-2
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
Special Revenue Funds
For the Year Ended August 31, 2022

	State Highway Fund (0006)	Texas Department of Motor Vehicles Fund (0010)	Totals
Revenues			
Legislative Appropriations:			
Original Appropriations	\$	\$	\$ 0.00
Additional Appropriations			0.00
Federal Revenues		220,967.41	220,967.41
Federal Pass-Through			0.00
State Grant Pass-Through			0.00
Licenses, Fees and Permits	1,701,523,622.25	184,977,352.70	1,886,500,974.95
Interest & Investment Income		888,527.63	888,527.63
Settlement of Claims			0.00
Sales of Goods and Services		246,336.48	246,336.48
Other Revenues	140.00	31,629.94	31,769.94
Total Revenues	1,701,523,762.25	186,364,814.16	1,887,888,576.41
Expenditures			
Salaries and Wages		44,091,836.22	44,091,836.22
Payroll Related Costs		15,823,180.47	15,823,180.47
Professional Fees and Services		21,161,445.50	21,161,445.50
Travel		231,243.27	231,243.27
Materials and Supplies		20,606,379.65	20,606,379.65
Communications and Utilities		5,236,784.73	5,236,784.73
Repairs and Maintenance		2,875,983.87	2,875,983.87
Rentals and Leases		262,287.02	262,287.02
Printing and Reproduction		4,528,365.98	4,528,365.98
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		44,349,735.42	44,349,735.42
Debt Service Principal- RTU Leases		717,495.04	717,495.04
Capital Outlay		3,605,423.43	3,605,423.43
Total Expenditures	0.00	163,490,160.60	163,490,160.60
Excess (Deficit) of Revenues over Expenditures	1,701,523,762.25	22,874,653.56	1,724,398,415.81
Other Financing Sources (Uses)			
Operating Transfers In (Note 12)	(4,982,912.54)		(4,982,912.54)
Operating Transfers Out (Note 12)	(1,712,709,899.19)		(1,712,709,899.19)
Increase in Obligations - Leases		3,297,665.90	3,297,665.90
Sale of Capital Assets		1,357.14	1,357.14
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)	(1,717,692,811.73)	3,299,023.04	(1,714,393,788.69)
Excess (Deficit) of Revenues and other Sources Over Expenditures and Other Uses	(16,169,049.48)	26,173,676.60	10,004,627.12
Fund Balance - Beginning	134,761,184.20	161,266,135.11	296,027,319.31
Restatements (Note 14)			0.00
Fund Balance As Restated	134,761,184.20	161,266,135.11	296,027,319.31
Appropriations Lapsed			0.00
Fund Balance - Ending	\$ 118,592,134.72	\$ 187,439,811.71	\$ \$ 306,031,946.43

SCHEDULES

Texas Department of Motor Vehicles (608)

-UNAUDITED-

SCHEDULE 1A
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended August 31, 2022

Federal Grantor/ Pass-Through Grantor/ Program Title	Pass-Through From			
	ALN 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			0.00	0.00
TOTAL FEDERAL FINANCIAL ASSISTANCE			0.00	0.00

Note 2 - Reconciliation

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

Exhibit II

Federal Revenues	\$ 220,967.40
Federal Pass-Through Revenues	0.00
Total	\$ 220,967.40

Texas Department of Motor Vehicles (608)

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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		
\$ 220,967.40	\$ 220,967.40			\$ 220,967.40	\$ 220,967.40
<u>\$ 220,967.40</u>	<u>\$ 220,967.40</u>		<u>0.00</u>	<u>0.00</u>	<u>\$ 220,967.40</u>
<u>\$ 220,967.40</u>	<u>\$ 220,967.40</u>		<u>0.00</u>	<u>0.00</u>	<u>\$ 220,967.40</u>

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**SCHEDULE 1B
SCHEDULE OF STATE GRANT PASS-THROUGHS FROM/TO STATE AGENCIES
For the Fiscal Year Ended August 31, 2022**

Pass-Through Grantor/ Program Title	Pass-Through From			Total Pass-Through From	Pass-Through To		Total Pass-Through To
	Grant ID	Agency Number	State Agency or University Amount		Agency Number	State Agency or University Amount	
Motor Vehicle Crime Prevention Authority (MVCPA)							
<u>Programs:</u>							
Texas A&M University- Grant Management and Tracking System	608.0004			\$0.00	711	\$ 35,000.00	\$ 35,000.00
Total				<u>0.00</u>		<u>\$ 35,000.00</u>	<u>\$ 35,000.00</u>
TOTAL PASS-THROUGH TO OTHER AGENCIES				<u><u>0.00</u></u>		<u><u>\$ 35,000.00</u></u>	<u><u>\$ 35,000.00</u></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

Total

\$ 35,000.00
\$ 35,000.00

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