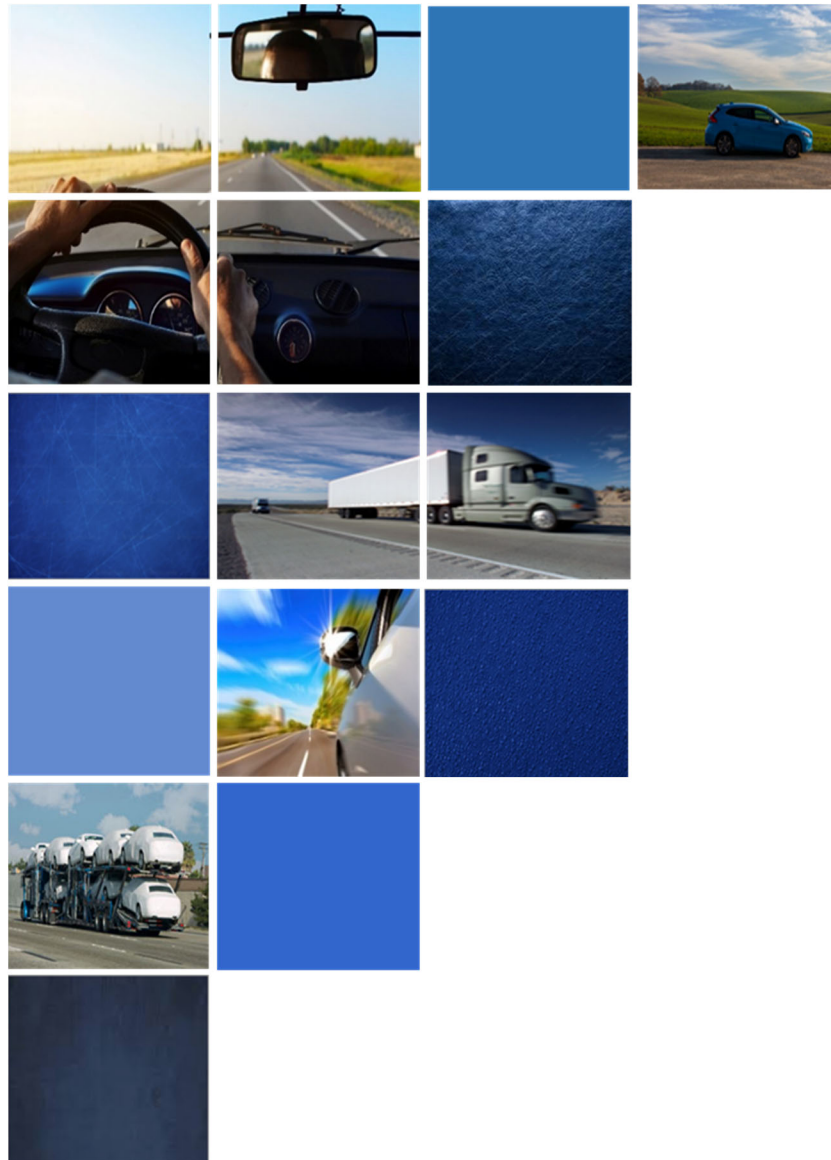




Texas Department *of* Motor Vehicles

Annual Financial Report

Fiscal Year Ended August 31, 2023



Annual Financial Report

Fiscal Year Ended August 31, 2023



Texas Department *of* Motor Vehicles

Prepared by the
Finance & Administrative Services Division

November 20, 2023

Texas Department of Motor Vehicles Board

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Daniel Avitia
Executive Director

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November 20, 2023

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, 2023, 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 blue 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, 2023**

	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	\$ 39,100.00	\$ 39,100.00	\$	\$	\$ 39,100.00
Cash in Bank	0.00	0.00	0.00			0.00
Cash in State Treasury	33,304,666.11	205,260,182.39	238,564,848.50			238,564,848.50
Legislative Appropriations	11,770,335.37	0.00	11,770,335.37			11,770,335.37
Receivables:						
Federal	0.00	198,464.66	198,464.66			198,464.66
Accounts Receivable	0.00	135,967,747.70	135,967,747.70			135,967,747.70
Due From Other Funds (Note 12)	0.00	204,863.38	204,863.38			204,863.38
Consumable Inventories	0.00	3,377,902.40	3,377,902.40			3,377,902.40
Total Current Assets	45,075,001.48	345,048,260.53	390,123,262.01			390,123,262.01
Non - Current Assets:						
Capital Assets:						
Non - Depreciable						
Land and Land Improvements				957,642.04		957,642.04
Depreciable						
Buildings and Building Improvements				29,367,568.24		29,367,568.24
Less - Accumulated Depreciation				(21,200,522.22)		(21,200,522.22)
Facilities and Other Improvements				1,743,561.08		1,743,561.08
Less - Accumulated Depreciation				(443,154.63)		(443,154.63)
Right to Use Asset- Buildings (Note 2)				3,318,444.40		3,318,444.40
Less - Accumulated Amortization (Note 2)				(1,463,226.04)		(1,463,226.04)
Furniture and Equipment				5,282,418.37		5,282,418.37
Less - Accumulated Depreciation				(4,297,433.64)		(4,297,433.64)
Vehicles, Boats, & Aircraft				1,271,436.16		1,271,436.16
Less - Accumulated Depreciation				(867,356.24)		(867,356.24)
Intangibles Computer Software				3,763,402.91		3,763,402.91
Less - Accumulated Amortization				(3,763,402.91)		(3,763,402.91)
Intangible Right to Use Asset- Subscriptions (Note 2)				19,798,419.64		19,798,419.64
Less - Accumulated Amortization (Note 2)				(4,950,879.22)		(4,950,879.22)
Total Non Current Assets				28,516,917.94		28,516,917.94
Total Assets	\$ 45,075,001.48	\$ 345,048,260.53	\$ 390,123,262.01	\$ 28,516,917.94	\$ 0.00	\$ 418,640,179.95

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	\$ 657,731.75	\$ 873,527.43	\$ 1,531,259.18	\$	\$	\$ 1,531,259.18
Accounts Payable	1,828,086.52	7,195,908.38	9,023,994.90			9,023,994.90
Payroll Payable	53,944.04	5,434,607.51	5,488,551.55			5,488,551.55
Due to Other Funds (Note 12)	204,863.38	0.00	204,863.38			204,863.38
Due to Other Agencies (Note 12)	286,408.18	0.00	286,408.18			286,408.18
Unearned Revenue	(160,360.62)	674,417.93	514,057.31			514,057.31
Other Intergovernment Payable	6,798,059.41		6,798,059.41			6,798,059.41
Employees Compensable Leave (Note 5)					3,445,322.73	3,445,322.73
Right to Use Lease Obligations (Note 5)					734,143.43	734,143.43
Right to Use Subscription Liability (Note 5)					5,175,106.66	5,175,106.66
Interest Payable					231,789.16	231,789.16
Total Current Liabilities	9,668,732.66	14,178,461.25	23,847,193.91	0.00	9,586,361.98	33,433,555.89
Non-Current Liabilities:						
Employees' Compensable Leave (Note 5)					2,041,056.68	2,041,056.68
Right to Use Lease Obligations (Note 5)					1,141,491.61	1,141,491.61
Right to Use Subscription Liability (Note 5)					9,292,605.76	9,292,605.76
Total Non-Current Liabilities				0.00	12,475,154.05	12,475,154.05
Total Liabilities	9,668,732.66	14,178,461.25	23,847,193.91	0.00	22,061,516.03	45,908,709.94
Fund Financial Statement						
Fund Balances:						
Non Spendable (Inventory)	0.00	3,377,902.40	3,377,902.40			3,377,902.40
Restricted	0.00	327,491,896.88	327,491,896.88			327,491,896.88
Committed	25,834,241.02	0.00	25,834,241.02			25,834,241.02
Assigned	0.00	0.00	0.00			0.00
Unassigned	9,572,027.80	0.00	9,572,027.80			9,572,027.80
Total Fund Balances	35,406,268.82	330,869,799.28	366,276,068.10			366,276,068.10
Total Liabilities and Fund Balance	\$ 45,075,001.48	\$ 345,048,260.53	\$ 390,123,262.01			
Government-Wide Statement of Net Assets						
Restatements						
Net Assets:						
Invested in Capital Assets, Net of Related Debt				\$ 28,516,917.94	\$	\$ 28,516,917.94
Unrestricted					(22,061,516.03)	(22,061,516.03)
Total Net Assets				\$ 28,516,917.94	\$ (22,061,516.03)	\$ 372,731,470.01

-UNAUDITED-

**EXHIBIT II
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
Statement of Activities - Governmental Funds
For the Year Ended August 31, 2023**

	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	196,173.01	0.00	196,173.01			196,173.01
Federal Revenues	0.00	675,137.02	675,137.02			675,137.02
Federal Pass-Through Revenues	204,863.38	0.00	204,863.38			204,863.38
State Grant Pass-Through	0.00	0.00	0.00			0.00
Licenses, Fees and Permits	(2,449.61)	1,941,631,874.88	1,941,629,425.27			1,941,629,425.27
Interest & Investment Income	9,662.79	6,940,236.47	6,949,899.26			6,949,899.26
Settlement of Claims	0.00	0.00	0.00			0.00
Sales of Goods and Services	0.00	246,359.97	246,359.97			246,359.97
Other	(188,935.15)	220,427.19	31,492.04			31,492.04
Total Revenues	15,198,919.42	1,949,714,035.53	1,964,912,954.95			1,964,912,954.95
Expenditures						
Salaries and Wages	424,019.93	45,724,026.30	46,148,046.23		600,069.30	46,748,115.53
Payroll Related Costs	198,066.14	20,760,487.97	20,958,554.11			20,958,554.11
Professional Fees and Services	2,861,905.39	17,754,680.31	20,616,585.70			20,616,585.70
Travel	27,362.46	409,936.54	437,299.00			437,299.00
Materials and Supplies	9,863.01	20,889,903.98	20,899,766.99			20,899,766.99
Communications and Utilities	19,638.13	6,491,400.25	6,511,038.38			6,511,038.38
Repairs and Maintenance	0.00	3,406,698.58	3,406,698.58			3,406,698.58
Rentals and Leases	13,408.38	302,805.65	316,214.03			316,214.03
Printing and Reproduction	97.20	5,033,141.69	5,033,238.89			5,033,238.89
State Grant Pass-Through Expenditures	30,000.00	0.00	30,000.00			30,000.00
Intergovernmental Payments	12,542,176.08	0.00	12,542,176.08			12,542,176.08
Public Assistance Programs	209,980.74	0.00	209,980.74			209,980.74
Other Operating Expenditures	20,409.06	45,175,870.65	45,196,279.71		230,341.77	45,426,621.48
Debt Service Principal- RTU Leases/SBITA	0.00	6,056,146.60	6,056,146.60		13,742,273.04	19,798,419.64
Capital Outlay	0.00	20,285,178.25	20,285,178.25	(20,285,178.25)		0.00
Depreciation Expense	0.00	0.00	0.00	6,455,855.48		6,455,855.48
Total Expenditures	16,356,926.52	192,290,276.77	208,647,203.29	(13,829,322.77)	14,572,684.11	209,390,564.63
Excess (Deficit) of Revenues over Expenditures	(1,158,007.10)	1,757,423,758.76	1,756,265,751.66	13,829,322.77	(14,572,684.11)	1,755,522,390.32
Other Financing Sources (Uses)						
Transfers In (Note 12)	619,610.81	0.00	619,610.81			619,610.81
Transfers Out (Note 12)	(49,862.89)	(1,752,384,325.55)	(1,752,434,188.44)	(242.47)		(1,752,434,430.91)
Increase in Obligations - Leases/SBITA	0.00	19,798,419.64	19,798,419.64			19,798,419.64
Sale of Capital Assets	2,020.19	0.00	2,020.19	(2,020.19)		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	(2,478.24)		(2,478.24)
Inc (Dec) in Net Assets Due to Interagency Transfer	0.00	0.00	0.00	10,685,275.46		10,685,275.46
Total Other Financing Sources (Uses)	571,768.11	(1,732,585,905.91)	(1,732,014,137.80)	10,680,534.56	0.00	(1,721,333,603.24)
Net Change in Fund Balances/Net Assets	(586,238.99)	24,837,852.85	24,251,613.86	24,509,857.33	(14,572,684.11)	34,188,787.08
Fund Financial Statement - Fund Balance						
Fund Balance - Beginning	36,133,931.37	306,031,946.43	342,165,877.80			342,165,877.80
Restatements (Note 14)	0.00	0.00	0.00	31,400.96	(20,903.56)	10,497.40
Fund Balance as Restated	36,133,931.37	306,031,946.43	342,165,877.80	31,400.96	(20,903.56)	342,176,375.20
Appropriations Lapsed	(141,423.56)	0.00	(141,423.56)			(141,423.56)
Fund Balances - August 31, 2023	\$ 35,406,268.82	\$ 330,869,799.28	\$ 366,276,068.10			\$ 376,223,738.72
Government-wide Statement of Net Assets						
Net Change in Net Assets			\$ 366,276,068.10	\$ 24,509,857.33	\$ (14,572,684.11)	\$ 376,213,241.32
Net Assets-Beginning				3,975,659.65	(7,467,928.36)	(3,492,268.71)
Restatements (Note 14)				31,400.96	(20,903.56)	10,497.40
Net Assets, September 1, 2023, as Restated and Adjusted				4,007,060.61	(7,488,831.92)	(3,481,771.31)
Net Assets-August 31, 2023			\$ 366,276,068.10	\$ 28,516,917.94	\$ (22,061,516.03)	\$ 372,731,470.01

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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 that meet the reporting threshold and useful life are capitalized. The capitalization threshold and the estimated useful life vary depending on the asset type. These assets are capitalized at cost or, if purchased, at appraised fair value as of the date of acquisition. Purchases of assets by governmental funds are reported as expenditures. Depreciation is reported on all "exhaustible" assets. Assets are depreciated over the estimated useful life of the asset using the straight-line method.

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.

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 Balances

Employees' compensable leave balances represent the liability that becomes "due" upon the occurrence of relevant events such as resignations, retirements, and use of leave balances by covered employees. Liabilities are reported separately as either current or non-current in the statement of net position. 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.

Lease Liabilities

Lease liability represents the amount recognized by a lessee on its financial statements regarding its leases. It is initially measured at the present value of lease payments and is remeasured whenever there is a change in lease payments or lease modification. Liabilities are reported separately as either current or noncurrent.

Fund Balance/Net Assets

"Fund balance" is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources on the governmental fund statements. "Net position" is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources on the government-wide, proprietary, and fiduciary 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 between 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- GOVERNMENTAL ACTIVITIES

Revenue received from the sale of surplus property has been transferred to unappropriated general revenue in accordance with HB7, Section 20. A summary of changes in Capital Assets for the year ended August 31, 2023, is presented below:

PRIMARY GOVERNMENT							
	Reclassifications						
	Balance 09/01/22	Adj.	Inc-Int'gy Trans	Dec- Int'gy Trans	Additions	Deletions	Balance 08/31/23
Non-Depreciable or Non-Amortizable Assets:							
Land & Land Improvements			957,642.04				957,642.04
Infrastructure							
Construction in Progress							
Other Capital Assets							
Land Use Rights - Permanent							
Total Non-Depreciable and Non-Amortizable Assets			957,642.04				957,642.04
Depreciable Assets:							
Buildings & Building Improvements			29,367,568.24				29,367,568.24
Infrastructure							
Facilities & Other Improvements			1,743,561.08				1,743,561.08
Furniture & Equipment	5,176,022.98	38,571.35	16,346.78	(11,996.35)	486,758.61	(423,285.00)	5,282,418.37
Vehicles, Boats, & Aircraft	1,292,757.16					(21,321.00)	1,271,436.16
Other Capital Assets							
Total Depreciable Assets at Historical Cost	6,468,780.14	38,571.35	31,127,476.10	(11,996.35)	486,758.61	(444,606.00)	37,664,983.85
Less Accumulated Depreciation for:							
Buildings & Improvements			(20,964,598.98)		(235,923.24)		(21,200,522.22)
Infrastructure							
Facilities & Other Improvements			(421,360.14)		(21,794.49)		(443,154.63)
Furniture & Equipment	(4,334,645.23)	(23,431.11)	(9,797.51)	7,910.30	(360,278.39)	422,808.30	(4,297,433.64)
Vehicles, Boats, & Aircraft	(729,045.92)				(155,367.12)	17,056.80	(867,356.24)
Other Capital Assets							
Total Accumulated Depreciation	(5,063,691.15)	(23,431.11)	(21,395,756.63)	7,910.30	(773,363.24)	439,865.10	(26,808,466.73)
Depreciable Assets, Net	1,405,088.99	15,140.24	9,731,719.47	(4,086.05)	(286,604.63)	(4,740.90)	10,856,517.12

	Balance 09/01/22	Adj.	Inc-Int'agy Trans	Dec- Int'agy Trans	Additions	Deletions	Balance 08/31/23
Amortizable Assets – Intangible:							
Land Use Rights- Term							
Computer Software- Intangible	3,763,402.91						3,763,402.91
Other Intangible Capital Assets - Term							
Total Intangible Assets at Historical Cost	3,763,402.91						3,763,402.91
Less Accumulated Amortization for:							
Land Use Rights- Term							
Computer Software- Intangible	(3,763,402.91)						(3,763,402.91)
Other Intangible Capital Assets- Term							
Total Accumulated Amortization	(3,763,402.91)						(3,763,402.91)
Amortizable Assets – Net	0.00						0.00
Governmental Activities Capital Assets, Net	1,405,088.99	15,140.24	10,689,361.51	(4,086.05)	(286,604.63)	(4,740.90)	11,814,159.16

Note 2, continued: INTANGIBLE RIGHT TO USE ASSETS- GOVERNMENTAL ACTIVITIES

In accordance with the implementation of GASB 87, leased assets are presented separately in Note 2. A summary of Intangible Right to Use Assets for the year ended August 31, 2023, is presented below:

	PRIMARY GOVERNMENT				
	Balance 09/01/22	Adjustments	Additions	Deletions	Balance 08/31/23
Intangible Right to Use (RTU) Assets - Amortizable:	\$	\$	\$	\$	\$
Building & Building Improvements	3,297,665.90	20,778.50			3,318,444.40
Facilities & Other Improvements					
Land & Land Improvements					
Infrastructure					
Equipment					
Vehicles					
Subscription Assets			19,798,419.64		19,798,419.64
Total Amortizable RTU Assets	3,297,665.90	20,778.50	19,798,419.64		23,116,864.04

	Balance 09/01/22	Adjustments	Additions	Deletions	Balance 08/31/23
Less Accumulated Amortization RTU for:	\$	\$	\$	\$	\$
Building & Building Improvements	(727,095.24)	(2,190,321.28)		1,454,190.48	(1,463,226.04)
Facilities & Other Improvements					
Land & Land Improvements					
Infrastructure					
Equipment					
Vehicles					
Subscription Assets			(4,950,879.22)		(4,950,879.22)
Total Accumulated Amortization – RTU Assets	(727,095.24)	(2,190,321.28)	(4,950,879.22)	1,454,190.48	(6,414,105.26)
Governmental Activities, RTU Assets, Net	2,570,570.66	(2,169,542.78)	14,847,540.42	1,454,190.48	16,702,758.78

NOTE 3: DEPOSITS, INVESTMENTS, & REPURCHASE AGREEMENTS

Not Applicable

NOTE 4: SHORT-TERM DEBT

Not Applicable

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

The following changes occurred in liabilities during the fiscal year ended August 31, 2023:

Governmental Activities	Balance 9/01/22	Additions	Reductions	Balance 8/31/23	Amounts Due Within One Year	Amounts Due Thereafter
Employees' Compensable Leave	\$4,886,310.11	5,599,348.05	4,999,278.75	5,486,379.41	3,445,322.73	2,041,056.68
Right to Use Lease Obligations	\$2,580,170.86	20,903.56	725,439.38	1,875,635.04	734,143.43	1,141,491.61
Right to Use Subscription Obligations	-	19,798,419.64	5,330,707.22	14,467,712.42	5,175,106.66	9,292,605.76
Total Long-Term Liabilities	\$7,466,480.97	\$25,418,671.25	\$11,055,425.35	\$21,829,726.87	\$9,354,572.82	\$12,475,154.05

Employees' Compensable Leave

If a state employee had continuous employment with the state for at least six months, the 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. Expenditures for accumulated annual leave balances are recognized in the period paid or taken in governmental fund types. For these fund types, the liability for unpaid benefits is recorded in the statement of net position. No liability is recorded for non-vesting employees accumulating rights to receive sick pay benefits. This obligation is usually paid from the same funding source(s) from which the employee's salary or wage compensation was paid.

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.

Right to Use Subscription Obligations

According to GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, a SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The numbers above represent SBITAs with five vendors.

NOTE 6: BONDED INDEBTEDNESS

Not Applicable

NOTE 7: DERIVATIVE INSTRUMENTS

Not Applicable

NOTE 8: LEASES/ SBITAs**Leases****Lease Liability**

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

Fiscal 2023

Fund Type	Amount
12 (GAAP Fund 9997)	\$743,597.84

The TxDMV entered various leases for RSC buildings and equipment (copiers and meters). These agreements range in terms up to FY 2032. In fiscal 2023, the total lease payments were \$1.02 million; \$744k is RSC building leases and \$276k is copiers/meters leases.

The TxDMV entered additional leases that have not yet commenced as of Aug. 31, 2023, including leases for equipment (copiers and meters). The terms range is 2024 — 2028 with a future commitment of \$496k.

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

Future Lease Payments**Year Ended Aug. 31, 2023**

Primary Government			
	Governmental Activities		
Year Ended August 31,	Principal	Interest	Total Future Min. Lease Payments
2024	\$734,143.43	\$14,366.16	\$748,509.59
2025	\$421,583.20	\$10,872.07	\$432,455.27
2026	\$200,226.44	\$8,512.17	\$208,738.61
2027	\$166,105.25	\$6,558.53	\$172,663.78
2028	\$64,902.48	\$5,175.28	\$70,077.76
2029-2032	\$288,674.24	\$9,863.25	\$298,537.49
Totals	\$ 1,875,635.04	\$ 55,347.46	\$ 1,930,982.50

SBITAs**Subscription Liability**

Included in the expenditures reported in the financial statements are the following amounts of subscription fees paid under the noncancelable liability:

Fiscal 2023

Fund Type	Amount
12 (GAAP Fund 9997)	\$5,602,633.81

The TxDMV entered various agreements for IT subscriptions. These agreements range in terms up to year 2032. In fiscal 2023, the total subscription payments were \$5.6 million.

The TxDMV entered additional subscription agreements that have not yet commenced as of Aug. 31, 2023. The terms range is 2024—2027 with a future commitment of \$15.3 million.

Future Subscription Payments**Year Ended Aug. 31, 2023**

Primary Government			
Governmental Activities			
Year Ended August 31,	Principal	Interest	Total Future Min. Lease Payments
2024	\$5,175,106.66	\$427,527.15	\$5,602,633.81
2025	\$5,327,398.81	\$275,235.00	\$5,602,633.81
2026	\$2,548,570.72	\$117,854.47	\$2,666,425.19
2027	\$1,416,636.23	\$42,363.78	\$1,459,000.01
2028	-	-	-
2029-2032	-	-	-
Totals	\$14,467,712.42	\$862,980.40	\$15,330,692.82

NOTE 9: DEFINED BENEFIT PENSION PLANS AND DEFINED CONTRIBUTION PLAN

Not Applicable

NOTE 10: DEFERRED COMPENSATION

Not Applicable

NOTE 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

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, 2023, are as follows:

	Transfer In	Transfer Out	Source
General Revenue (01)			
Appd Fund 0802, D23 fund 0802			
Agy 300, D23 fund 0803		(6,149.72)	Shared Fund
Agy 300, D23 fund 0804	11,629.69		Shared Fund
Agy 300, D23 fund 0805	(8,555.40)		Shared Fund
Agy 300, D23 fund 0807	(1,268.44)		Shared Fund
Agy 300, D23 fund 0808	117.86		Shared Fund
Agy 300, D23 fund 0809	1,852.32		Shared Fund
Agy 302, D23 fund 0804		(4,659.99)	Shared Fund
Agy 302, D23 fund 0805		1,784.24	Shared Fund
Agy 305, D23 fund 0015	2,085.30		Shared Fund
Agy 306, D23 fund 0802	2,684.33		Shared Fund
Agy 307, D23 fund 0802	956.39		Shared Fund
Agy 332, D23 fund 0802	(1,693.65)		Shared Fund
Agy 403, D23 fund 3005	827.09		Shared Fund
Agy 403, D23 fund 3006	772.10		Shared Fund
Agy 403, D23 fund 3009	790.57		Shared Fund
Agy 407, D23 fund 0802		(1,766.48)	Shared Fund
Agy 411, D23 fund 0802	(1,266.87)		Shared Fund
Agy 506, D23 fund 0802	1,535.43		Shared Fund
Agy 529, D23 fund 0802	3,165.22	(10,220.68)	Shared Fund
Agy 530, D23 fund 0802		(13.13)	Shared Fund
Agy 537, D23 fund 0802	6,642.87		Shared Fund
Agy 537, D23 fund 0803	18,867.37		Shared Fund
Agy 537, D23 fund 0804	1,749.57		Shared Fund
Agy 537, D23 fund 0805	5,149.65		Shared Fund
Agy 542, D23 fund 0802	16,526.90		Shared Fund
Agy 542, D23 fund 4100	(8,530.25)	622.78	Shared Fund
Agy 542, D23 fund 4200	1,544.32		Shared Fund
Agy 551, D23 fund 0802	76,334.33		Shared Fund
Agy 555, D23 fund 1802		(3,689.71)	Shared Fund
Agy 555, D23 fund 2802	(1,237.03)		Shared Fund
Agy 555, D23 fund 3802	131.44		Shared Fund
Agy 555, D23 fund 4802	11,518.23		Shared Fund
Agy 576, D23 fund 0802	25,033.81		Shared Fund
Agy 582, D23 fund 0802	(2,529.62)	723.03	Shared Fund
Agy 701, D23 fund 2242	259.69	259.69	Shared Fund
Agy 701, D23 fund 2250	(196.70)	(196.70)	Shared Fund
Agy 701, D23 fund 2260	44.93	44.93	Shared Fund
Agy 701, D23 fund 2270	344.90	344.90	Shared Fund

-UNAUDITED-

	Transfer In	Transfer Out	Source
Agy 701, D23 fund 2271	(43.55)	(43.55)	Shared Fund
Agy 701, D23 fund 2273	249.91	249.91	Shared Fund
Agy 701, D23 fund 2274	454.38	454.38	Shared Fund
Agy 701, D23 fund 2275	102.85	102.85	Shared Fund
Agy 711, D23 fund 0802	51,310.61	51,310.61	Shared Fund
Agy 714, D23 fund 0802		8,584.09	Shared Fund
Agy 715, D23 fund 0802		(7,729.07)	Shared Fund
Agy 717, D23 fund 0802	5,867.67		Shared Fund
Agy 718, D23 fund 0802	49,768.60	49,768.60	Shared Fund
Agy 721, D23 fund 0802		88,142.08	Shared Fund
Agy 724, D23 fund 0802		(3,229.85)	Shared Fund
Agy 730, D23 fund 0802		546.25	Shared Fund
Agy 732, D23 fund 0802	2,166.35		Shared Fund
Agy 733, D23 fund 0802	2,943.10	1,000.00	Shared Fund
Agy 734, D23 fund 0802	25.70		Shared Fund
Agy 737, D23 fund 0802	946.05		Shared Fund
Agy 738, D23 fund 0802	3,386.64		Shared Fund
Agy 746, D23 fund 0802	728.02		Shared Fund
Agy 751, D23 fund 0802	1,313.82	2,044.30	Shared Fund
Agy 752, D23 fund 0802		(1,740.18)	Shared Fund
Agy 753, D23 fund 0802	6,196.25		Shared Fund
Agy 754, D23 fund 0802		(22,590.67)	Shared Fund
Agy 755, D23 fund 0802	3,612.43		Shared Fund
Agy 756, D23 fund 0802	2,576.23		Shared Fund
Agy 759, D23 fund 0802		(703.05)	Shared Fund
Agy 765, D23 fund 0802		(328.58)	Shared Fund
Agy 781, D23 fund 4001	67.32		Shared Fund
Agy 781, D23 fund 4003	5,920.83		Shared Fund
Agy 781, D23 fund 4004	(51.65)		Shared Fund
Agy 781, D23 fund 4005	233.82		Shared Fund
Agy 781, D23 fund 4006	60.01		Shared Fund
Agy 781, D23 fund 4007	(327.62)		Shared Fund
Agy 781, D23 fund 4008	82.50		Shared Fund
Agy 781, D23 fund 4009	1,279.60		Shared Fund
Agy 781, D23 fund 4010	44.26		Shared Fund
Agy 781, D23 fund 4011	994.37		Shared Fund
Agy 781, D23 fund 4012	(422.39)		Shared Fund
Agy 781, D23 fund 4013	(91.05)		Shared Fund
Agy 781, D23 fund 4014	144.11		Shared Fund
Agy 781, D23 fund 4015	(83.51)		Shared Fund
Agy 781, D23 fund 4016	3.12		Shared Fund
Agy 781, D23 fund 4017	(124.45)		Shared Fund
Agy 781, D23 fund 4018	183.31		Shared Fund
Agy 781, D23 fund 4019	291.82		Shared Fund
Agy 781, D23 fund 4020	113.06		Shared Fund
Agy 781, D23 fund 4021	(32.72)		Shared Fund
Agy 781, D23 fund 4022	(142.68)		Shared Fund

	Transfer In	Transfer Out	Source
Agy 781, D23 fund 4023	(163.97)		Shared Fund
Agy 781, D23 fund 4025	23.10		Shared Fund
Agy 781, D23 fund 4026	(235.31)		Shared Fund
Agy 781, D23 fund 4027	1,082.78		Shared Fund
Agy 781, D23 fund 4028	564.43		Shared Fund
Agy 781, D23 fund 4029	2,242.20		Shared Fund
Agy 783, D23 fund 0802	2,300.39		Shared Fund
Agy 802, D23 fund 3030		(562.13)	Shared Fund
Agy 802, D23 fund 3042	3,475.11	(3,467.11)	Shared Fund
Agy 802, D23 fund 3043		(43,067.66)	Shared Fund
Agy 802, D23 fund 3044	21,292.65	(37,375.54)	Shared Fund
Agy 802, D23 fund 3045		(11,077.95)	Shared Fund
Agy 802, D23 fund 3046	(5,627.00)	14,967.20	Shared Fund
Agy 802, D23 fund 3047		(2,147.81)	Shared Fund
Agy 802, D23 fund 3048	8,028.74	872.91	Shared Fund
Agy 802, D23 fund 3049	14,074.73	(1,723.04)	Shared Fund
Agy 802, D23 fund 3050	10,107.95	8,628.46	Shared Fund
Agy 802, D23 fund 3051	8,647.43		Shared Fund
Agy 802, D23 fund 3052	2,081.51		Shared Fund
Agy 802, D23 fund 3057		(1,004.35)	Shared Fund
Agy 802, D23 fund 3116		(5,927.97)	Shared Fund
Agy 802, D23 fund 3120	8,871.32		Shared Fund
Agy 802, D23 fund 3142	(592.43)		Shared Fund
Agy 802, D23 fund 3151	267.34	(4,938.88)	Shared Fund
Agy 802, D23 fund 3152	2,208.75	(8,848.84)	Shared Fund
Agy 802, D23 fund 3153	389.97		Shared Fund
Agy 802, D23 fund 3154	268.67		Shared Fund
Agy 808, D23 fund 0802	(2,879.66)	594.13	Shared Fund
Agy 813, D23 fund 0802	237,195.19		Shared Fund
Agy 902, D23 fund 8020	953.45		Shared Fund
Appd Fund 0001, D23 fund 0001			
Agy 902, D23 fund 0001		2,020.19	Surplus Property
Total Transfer In/Out Other Agencies	619,610.81	49,862.89	
Special Revenue (02)			
Appd Fund 0006, D23 fund 0006			
Agy 601, D23 fund 0006		1,752,384,325.55	Shared Cash
Appd Fund 0006, D23 fund 0006			
Agy 454, D23 fund 0006			TexasSure
Total Transfers In/Out	619,610.81	1,752,434,188.44	

	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
Agy 608, D23 fund 0001		204,863.38	Federal Pass-Through
Appd Fund 0802, D23 fund 0802			
Agy 701, D23 fund 2242		1,178.04	Shared Fund
Agy 701, D23 fund 2250		2,235.90	Shared Fund
Agy 701, D23 fund 2260		88.93	Shared Fund
Agy 701, D23 fund 2270		2,696.64	Shared Fund
Agy 701, D23 fund 2271		1,540.54	Shared Fund
Agy 701, D23 fund 2273		4,893.09	Shared Fund
Agy 701, D23 fund 2274		3,500.91	Shared Fund
Agy 701, D23 fund 2275		124.85	Shared Fund
Agy 711, D23 fund 0802		108,216.75	Shared Fund
Agy 718, D23 fund 0802		74,519.01	Shared Fund
Agy 733, D23 fund 0802		1,000.00	Shared Fund
Agy 751, D23 fund 0802		2,044.30	Shared Fund
Agy 802, D23 fund 3043		5,660.82	Shared Fund
Agy 802, D23 fund 3044		37,127.30	Shared Fund
Agy 802, D23 fund 3045		4,600.67	Shared Fund
Agy 802, D23 fund 3046		17,506.02	Shared Fund
Agy 802, D23 fund 3048		2,595.95	Shared Fund
Agy 802, D23 fund 3050		9,378.46	Shared Fund
Total Due From/ To Other Agencies		491,271.56	

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 2023, a net increase in the amount of \$31,400.96 was made to the Capital Assets Fund. This adjustment was necessary due to inventory items in FY 2022 that were not previously recorded, as well as changes to the lease schedule of a building that is considered an intangible capital asset.

Fund Balance for 2023

	Capital Assets Fund (Fund 0998)	Total
Total Fund Balance, Aug. 31, 2022	\$3,975,659.65	\$3,975,659.65
Current Year’s Restatements	31,400.96	31,400.96
Change in Net Position Aug. 31, 2022 as Restated	\$4,007,060.61	\$4,007,060.61

During Fiscal Year 2023, a net decrease in the amount of \$20,903.56 was made the Long-Term Liabilities Fund. This adjustment was necessary due to a change to the lease schedule of a building in FY 2022 that was not previously recorded.

Fund Balance for 2023

	Long-Term Liabilities Fund (Fund 0997)	Total
Total Fund Balance, Aug. 31, 2022	\$(7,467,928.36)	\$(7,467,928.36)
Current Year’s Restatements	(20,903.56)	(20,903.56)
Change in Net Position Aug. 31, 2022 as Restated	\$(7,488,831.92)	\$(7,488,831.92)

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, 2023, the department had encumbered the following amounts in governmental funds for signed contracts and purchase orders:

	General Revenue Fund (0001)	Texas Department of Motor Vehicle Fund (0010)
Encumbrances	\$6,718,235.30	\$8,416,625.10

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 collected and deposited to the TxDMV Fund (0010), with the exception of the Motor Vehicle Crime Prevention Authority (MVCPA), which is fully funded through fees deposited to the General Revenue Fund (0001).

Fiscal Year (FY) 2023 revenues for all funds totaled \$1.96 billion. This represents an increase of \$61.94 million or 3.25% more compared to FY 2022 revenues of \$1.90 billion. Of the FY 2023 total amount collected, \$1.76 billion was deposited into the State Highway Fund (0006), \$190.77 million was deposited into the TxDMV Fund (0010), and \$15.19 million was deposited into the General Revenue Fund (0001).

Increased total revenue collections in FY 2023 were primarily attributable to increased registration-related collections and increased motor-carrier oversize/overweight permit revenue related to increased activity in the oil-and-gas and construction sectors. The increases were offset by decreases in certain title-related collections, primarily related to original-title and rebuilt-salvage title fees.

FY 2023 expenditures totaled \$187.23 million, an increase of \$9.78 million, or 5.51% more compared to FY 2022 expenditures of \$177.45 million. The primary factor contributing to the increase in expenditures was due to significant increases in postage expenditures due to a combination of continued growth in registrations and continual price increases from USPS (\$7.27M). Other factors contributing to overall increases in FY 2023 include: implementation of the five percent wage increase effective July 1, which increased the cost of salaries for the final two months of FY 2023 (approximately \$447.65K); the implementation of a new "TxDMV minimum salary" (raised to \$37,200 annually) for new hires effective January 1, 2023 (cost of \$218.00K); and increased salary expenses associated with more positions being filled and the overall vacancy rate decreasing (24% decrease).

The Comptroller's of Public Accounts (CPA) implementation of GASB Statement No. 96, SBITAs (GASB 96) in FY 2023 had a material impact on TxDMV's financial statements. Subscription-Based Information Technology Arrangements (SBITAs) are now classified as intangible right-to-use asset subscriptions, totaling \$19.80 million (Exhibit I) and as a result of this change, corresponding long-term liabilities (Note 5) and amortization expenses (Note 2) also increased. Exhibit II includes offsetting increases of \$19.80 million in expenditures and other financing sources compared to FY 2022 due to the new reporting requirements of GASB 96.

In January 2023, the Texas Department of Transportation (TxDOT) officially signed over land, buildings, and improvements located in central Austin (TxDMV headquarters), totaling an estimated \$32.07 million. This impact is shown on Exhibit I.

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: PUBLIC-PRIVATE AND PUBLIC-PUBLIC PARTNERSHIPS

Not Applicable

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

Not Applicable

NOTE 29: TROUBLED DEBT RESTRUCTURING

Not Applicable

NOTE 30: NON-EXCHANGE FINANCIAL GUARANTEES

Not Applicable

NOTE 31: TAX ABATEMENTS

Not Applicable

NOTE 32: GOVERNMENTAL FUND BALANCES

The TxDMV has the following restrictions/covenants causing fund balances to be restricted:

GAAP Fund	Fund	AFR 54 Class	Amount	Citation	Purpose
0010	0010	Restricted	\$202,340,107.00	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	0010	Restricted	\$675,137.02	FEDERAL ALN 20.237	Federal funds, restrictions are externally imposed by federal government agencies.
0010	0010	Restricted	\$204,863.38	FEDERAL ALN 97.036	Federal funds, restrictions are externally imposed by federal government agencies.

COMBINING FINANCIAL STATEMENTS

-UNAUDITED-

**EXHIBIT A-1
COMBINING BALANCE SHEET
All General and Consolidated Funds
For the Year Ended August 31, 2023**

	General Revenue Account (0001)	License Plate Trust Fund Account (0802)	Deposit Default Fund (9000)	USPS Overpayments to Employees Account (9015)	General Revenue Agency Funds (1001)
Assets					
Current Assets:					
Cash on Hand	\$	\$	\$	\$	\$
Cash in Bank					
Cash in State Treasury		4,546,945.24		0.02	
Legislative Appropriations	11,770,335.37				
Receivables:					
Federal					
Accounts Receivable					
Due From Other Funds (Note 12)					
Due From Other Agencies (Note 12)					
Consumable Inventories					
Total Current Assets	<u>11,770,335.37</u>	<u>4,546,945.24</u>	<u>0.00</u>	<u>0.02</u>	<u>0.00</u>
Liabilities					
Current Liabilities					
Payables:					
Vouchers Payable	108,016.56				
Accounts Payable	1,828,086.52				
Payroll Payable	49,240.34				
Due to Other Funds (Note 12)	204,863.38				
Due to Other Agencies (Note 12)	7,500.00	278,908.18			
Unearned Revenue				0.02	(160,360.64)
Other Intergovernmental Payable					
Total Current Liabilities	<u>2,197,706.80</u>	<u>278,908.18</u>	<u>0.00</u>	<u>0.02</u>	<u>(160,360.64)</u>
Fund Balances					
Non Spendable (Inventory)					
Restricted					
Committed		4,268,037.06	71.66		160,889.75
Assigned					
Unassigned	9,572,628.57		(71.66)		(529.11)
Total Fund Balance	<u>9,572,628.57</u>	<u>4,268,037.06</u>	<u>0.00</u>	<u>0.00</u>	<u>160,360.64</u>
Total Liabilities and Fund Balances	<u>\$ 11,770,335.37</u>	<u>\$ 4,546,945.24</u>	<u>\$ 0.00</u>	<u>\$ 0.02</u>	<u>\$ 0.00</u>

-UNAUDITED-

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	630,989.90	394,780.00	27,727,247.25	4,703.70	33,304,666.11
Legislative Appropriations					11,770,335.37
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>630,989.90</u>	<u>394,780.00</u>	<u>27,727,247.25</u>	<u>4,703.70</u>	<u>45,075,001.48</u>
Liabilities					
Current Liabilities					
Payables:					
Vouchers Payable	549,715.19				657,731.75
Accounts Payable					1,828,086.52
Payroll Payable				4,703.70	53,944.04
Due to Other Funds (Note 12)					204,863.38
Due to Other Agencies (Note 12)					286,408.18
Unearned Revenue					(160,360.62)
Other Intergovernmental Payable	(13,287.87)	383,257.60	6,428,089.68		6,798,059.41
Total Current Liabilities	<u>536,427.32</u>	<u>383,257.60</u>	<u>6,428,089.68</u>	<u>4,703.70</u>	<u>9,668,732.66</u>
Fund Balances					
Non Spendable (Inventory)					0.00
Restricted					0.00
Committed	94,562.58	11,522.40	21,299,157.57		25,834,241.02
Assigned					0.00
Unassigned				-	9,572,027.80
Total Fund Balance	<u>94,562.58</u>	<u>11,522.40</u>	<u>21,299,157.57</u>	<u>0.00</u>	<u>35,406,268.82</u>
Total Liabilities and Fund Balances	\$ <u>630,989.90</u>	\$ <u>394,780.00</u>	\$ <u>27,727,247.25</u>	\$ <u>4,703.70</u>	\$ <u>45,075,001.48</u>

-UNAUDITED-

EXHIBIT B-1
COMBINING BALANCE SHEET
Special Revenue Funds
For Fiscal Year Ended August 31, 2023

	State Highway Fund (0006)	Texas Department of Motor Vehicles Fund (0010)	Suspense Type Activities Fund (0900)	Total
Assets				
Current Assets:				
Cash on Hand	\$	\$ 39,100.00	\$	\$ 39,100.00
Cash in Bank				0.00
Cash in State Treasury		205,260,182.39		205,260,182.39
Legislative Appropriations				0.00
Receivables:				0.00
Federal		198,464.66		198,464.66
Accounts Receivable	125,151,789.88	10,815,957.82		135,967,747.70
Due From Other Funds (Note 12)		204,863.38		204,863.38
Due From Other Agencies (Note 12)				0.00
Consumable Inventories		3,377,902.40		3,377,902.40
Total Current Assets	125,151,789.88	219,896,470.65	0.00	345,048,260.53
Liabilities				
Current Liabilities				
Payables:				
Vouchers Payable		873,527.43		873,527.43
Accounts Payable		7,195,908.38		7,195,908.38
Payroll Payable		5,434,607.51		5,434,607.51
Unearned Revenues		674,417.93		674,417.93
Due to Other Funds (Note 12)				0.00
Due to Other Agencies (Note 12)				0.00
Total Current Liabilities	0.00	14,178,461.25	0.00	14,178,461.25
Fund Balances				
Non Spendable (Inventory)		3,377,902.40		3,377,902.40
Restricted	125,151,789.88	202,340,107.00		327,491,896.88
Committed				0.00
Assigned				0.00
Unassigned				0.00
Total Fund Balance	125,151,789.88	205,718,009.40	0.00	330,869,799.28
Total Fund Balance as Restated	125,151,789.88	205,718,009.40	0.00	330,869,799.28
Total Liabilities and Fund Balances	\$ 125,151,789.88	\$ 219,896,470.65	\$ 0.00	\$ 345,048,260.53

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-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, 2023

	General Revenue Account (0001)	License Plate Trust Fund Account (0802)	Deposit Default Fund (9000)	Suspense Type Activities Account (0900)
Revenues				
Legislative Appropriations:				
Original Appropriations	\$ 14,979,605.00	\$	\$	\$
Additional Appropriations	196,173.01			
Federal Pass-Through	204,863.38			
State Grant Pass -Through				
Licenses, Fees and Permits		11,239.64		
Interest & Investment Income		9,662.79		
Settlement of Claims				
Sales of Goods and Services				
Other Revenues	(204,863.38)		(71.66)	(263.00)
Total Revenues	<u>15,175,778.01</u>	<u>20,902.43</u>	<u>(71.66)</u>	<u>(263.00)</u>
Expenditures				
Salaries and Wages	424,019.93			
Payroll Related Costs	198,066.14			
Professional Fees and Services	2,861,905.39			
Travel	27,362.46			
Materials and Supplies	9,863.01			
Communications and Utilities	19,638.13			
Repairs and Maintenance				
Rentals and Leases	13,408.38			
Printing and Reproduction	97.20			
State Grant Pass-Through Expenditures	30,000.00			
Intergovernmental Payments	12,542,176.08			
Public Assistance Payments	209,980.74			
Other Operating Expenditures	20,409.06			
Capital Outlay				
Total Expenditures	<u>16,356,926.52</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Excess (Deficit) of Revenues over Expenditures	<u>(1,181,148.51)</u>	<u>20,902.43</u>	<u>(71.66)</u>	<u>(263.00)</u>
Other Financing Sources (Uses)				
Operating Transfers In (Note 12)		619,610.81		
Operating Transfers Out (Note 12)	(2,020.19)	(47,842.70)		
Insurance Recoveries				
Sale of Capital Assets	2,020.19			
Legislative Financing Sources				
Legislative Financing Uses				
Legislative Transfers In (Note 12)				
Legislative Transfers Out (Note 12)				
Total Other Financing Sources (Uses)	<u>0.00</u>	<u>571,768.11</u>	<u>0.00</u>	<u>0.00</u>
Excess (Deficit) of Revenues and other Sources Over Expenditures and Other Uses	(1,181,148.51)	592,670.54	(71.66)	(263.00)
Fund Balance - Beginning	10,895,200.64	3,675,366.52	71.66	94,825.58
Restatements (Note 14)				
Fund Balance As Restated	\$ 10,895,200.64	3,675,366.52	71.66	94,825.58
Appropriations Lapsed	(141,423.56)			
Fund Balance - Ending	<u>9,572,628.57</u>	<u>4,268,037.06</u>	<u>0.00</u>	<u>94,562.58</u>

-UNAUDITED-

EXHIBIT A-2 (CONTINUED)
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
All General and Consolidated Funds
For the Year Ended August 31, 2023

	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				196,173.01
Federal Pass-Through				204,863.38
State Grant Pass -Through				0.00
Licenses, Fees and Permits			(13,689.25)	(2,449.61)
Interest & Investment Income				9,662.79
Settlement of Claims				0.00
Sales of Goods and Services				0.00
Other Revenues		536.00	15,726.89	(188,935.15)
Total Revenues	0.00	536.00	2,037.64	15,198,919.42
Expenditures				
Salaries and Wages				424,019.93
Payroll Related Costs				198,066.14
Professional Fees and Services				2,861,905.39
Travel				27,362.46
Materials and Supplies				9,863.01
Communications and Utilities				19,638.13
Repairs and Maintenance				0.00
Rentals and Leases				13,408.38
Printing and Reproduction				97.20
State Grant Pass-Through Expenditures				30,000.00
Intergovernmental Payments				12,542,176.08
Public Assistance Payments				209,980.74
Other Operating Expenditures				20,409.06
Capital Outlay				0.00
Total Expenditures	0.00	0.00	0.00	16,356,926.52
Excess (Deficit) of Revenues over Expenditures	0.00	536.00	2,037.64	(1,158,007.10)
Other Financing Sources (Uses)				
Operating Transfers In (Note 12)				619,610.81
Operating Transfers Out (Note 12)				(49,862.89)
Insurance Recoveries				0.00
Sale of Capital Assets				2,020.19
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	571,768.11
Excess (Deficit) of Revenues and other Sources Over Expenditures and Other Uses	0.00	536.00	2,037.64	(586,238.99)
				0.00
Fund Balance - Beginning	11,522.40	21,298,621.57	158,323.00	36,133,931.37
Restatements (Note 14)				
Fund Balance As Restated	11,522.40	21,298,621.57	158,323.00	36,133,931.37
Appropriations Lapsed				(141,423.56)
Fund Balance - Ending	\$ 11,522.40	\$ 21,299,157.57	\$ 160,360.64	\$ 35,406,268.82

-UNAUDITED-

EXHIBIT B-2
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
Special Revenue Funds
For the Year Ended August 31, 2023

	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		675,137.02	675,137.02
Federal Pass-Through			0.00
State Grant Pass -Through			0.00
Licenses, Fees and Permits	1,758,942,051.27	182,689,823.61	1,941,631,874.88
Interest & Investment Income		6,940,236.47	6,940,236.47
Settlement of Claims			0.00
Sales of Goods and Services		246,359.97	246,359.97
Other Revenues	1,929.44	218,497.75	220,427.19
Total Revenues	1,758,943,980.71	190,770,054.82	1,949,714,035.53
Expenditures			
Salaries and Wages		45,724,026.30	45,724,026.30
Payroll Related Costs		20,760,487.97	20,760,487.97
Professional Fees and Services		17,754,680.31	17,754,680.31
Travel		409,936.54	409,936.54
Materials and Supplies		20,889,903.98	20,889,903.98
Communications and Utilities		6,491,400.25	6,491,400.25
Repairs and Maintenance		3,406,698.58	3,406,698.58
Rentals and Leases		302,805.65	302,805.65
Printing and Reproduction		5,033,141.69	5,033,141.69
Intergovernmental Payments			0.00
Public Assistance Programs			0.00
Other Operating Expenditures		45,175,870.65	45,175,870.65
Debt Service Principal- RTU Leases/SBITA		6,056,146.60	6,056,146.60
Capital Outlay		20,285,178.25	20,285,178.25
Total Expenditures	0.00	192,290,276.77	192,290,276.77
Excess (Deficit) of Revenues over Expenditures	1,758,943,980.71	(1,520,221.95)	1,757,423,758.76
Other Financing Sources (Uses)			
Operating Transfers In (Note 12)			0.00
Operating Transfers Out (Note 12)	(1,752,384,325.55)		(1,752,384,325.55)
Increase in Obligations- Leases/SBITA		19,798,419.64	19,798,419.64
Sale of Capital Assets			0.00
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)	(1,752,384,325.55)	19,798,419.64	(1,732,585,905.91)
Excess (Deficit) of Revenues and other Sources			
Over Expenditures and Other Uses	6,559,655.16	18,278,197.69	24,837,852.85
Fund Balance - Beginning	118,592,134.72	187,439,811.71	306,031,946.43
			0.00
Fund Balance As Restated	118,592,134.72	187,439,811.71	306,031,946.43
Appropriations Lapsed			0.00
Fund Balance - Ending	\$ 125,151,789.88	\$ 205,718,009.40	\$ 330,869,799.28

SCHEDULES

-UNAUDITED-

SCHEDULE 1A
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended August 31, 2023

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 Homeland Security				
<u>Pass-Through From:</u>				
COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036			
<u>Pass-Through From:</u>				
Texas Division of Emergency Management		575	\$ 204,863.38	
Totals- U.S. Department of Homeland Security			\$ 204,863.38	0.00
<u>Federal Motor Carrier Safety Assistance Cluster</u>				
U.S. Department of Transportation				
<u>Direct Programs:</u>				
Motor Carrier Safety Assistance High Priority Activities Grants and Cooperative Agreements	20.237			
Totals- U.S. Department of Transportation			0.00	0.00
Total Expenditure of Federal Awards			<u>204,863.38</u>	<u>0.00</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u><u>\$ 204,863.38</u></u>	<u><u>0.00</u></u>

Note 2 - Reconciliation

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

Exhibit II

Federal Revenues	\$ 675,137.02
Federal Pass-Through Revenues	204,863.38
Total	<u><u>\$ 880,000.40</u></u>

-UNAUDITED-
SCHEDULE 1A
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Fiscal Year Ended August 31, 2023
 (Continued)

Direct Program Amount	Total Pass Through From & Direct Program	Pass-Through To		Expenditures Amount	Total Pass Through To & Expenditures
		Agency Number	State Agency or University Amount		
	\$ 204,863.38			\$ 204,863.38	\$ 204,863.38
0.00	\$ 204,863.38		0.00	0.00	\$ 204,863.38
\$ 675,137.02	\$ 675,137.02			\$ 675,137.02	\$ 675,137.02
\$ 675,137.02	\$ 675,137.02		0.00	0.00	\$ 675,137.02
<u>675,137.02</u>	<u>880,000.40</u>		<u>0.00</u>	<u>0.00</u>	<u>880,000.40</u>
<u>\$ 675,137.02</u>	<u>\$ 880,000.40</u>		<u>0.00</u>	<u>0.00</u>	<u>\$ 880,000.40</u>

-UNAUDITED-

SCHEDULE 1B
SCHEDULE OF STATE GRANT PASS-THROUGHS FROM/TO STATE AGENCIES
For the Fiscal Year Ended August 31, 2023

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				0.00		\$ 35,000.00	\$ 35,000.00
TOTAL PASS-THROUGH TO OTHER AGENCIES				0.00		\$ 35,000.00	\$ 35,000.00

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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