



# TEXAS DEPARTMENT OF TRANSPORTATION

An Agency of the State of Texas

**Annual Comprehensive Financial Report**  
For the Fiscal Year Ended August 31, 2022  
(With Independent Auditor's Report)







Connecting  
*You* with TEXAS

# **Texas Department of Transportation**

**An Agency of the State of Texas**

## **Annual Comprehensive Financial Report (With Independent Auditor's Report) For the Fiscal Year Ended August 31, 2022**

Prepared by:  
Financial Management Division of the Texas Department of Transportation

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## Acknowledgements

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Funds Management, Budget & Forecasting, Letting & Federal Funding  
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Employee Payments & Accounts Receivable  
Business Operations

### Special Appreciation To:

All of the Districts and Divisions: Contract Services, Human Resources, Information Technology, Internal Audit, Project Finance, Debt & Strategic Contracts, Right of Way, Support Services, and all others whose extra time and effort made this report possible.

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**Texas Department of Transportation**  
**Annual Comprehensive Financial Report**  
**For the Fiscal Year Ended August 31, 2022**

**TABLE OF CONTENTS**

**1: INTRODUCTORY SECTION (Unaudited)**

|   |   |
|---|---|
| Letter of Transmittal -----   | 1 |
| Organization Chart -----  | 5 |
| Commission and Key Personnel -----                                    | 7 |
| Certificate of Achievement for Excellence in Financial Reporting----- | 9 |

**2: FINANCIAL SECTION**

|                                    |    |
|------------------------------------|----|
| Independent Auditor's Report ----- | 12 |
|------------------------------------|----|

***Management's Discussion and Analysis (Unaudited)***

|  |    |
|--|----|
| Management's Discussion and Analysis ----- | 16 |
|--|----|

***Basic Financial Statements***

Entity-wide Financial Statements

|                                 |    |
|---------------------------------|----|
| Statement of Net Position ----- | 32 |
| Statement of Activities -----   | 34 |

Fund Financial Statements

Governmental Fund Financial Statements

|   |    |
|---|----|
| Balance Sheet -----   | 36 |
| Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position -----   | 38 |
| Statement of Revenues, Expenditures and Changes in Fund Balances -----  | 40 |
| Reconciliation of the Governmental Funds Statement of Revenues, Expenditures<br>and Changes in Fund Balances to the Statement of Activities ----- | 41 |

Proprietary Funds Financial Statements

|   |    |
|---|----|
| Statement of Net Position -----                                   | 42 |
| Statement of Revenues, Expenses and Changes in Net Position ----- | 44 |
| Statement of Cash Flows -----                                     | 46 |

|                                    |    |
|------------------------------------|----|
| Notes to Financial Statements----- | 49 |
|------------------------------------|----|

***Required Supplementary Information Other Than MD&A (Unaudited)***

|   |     |
|---|-----|
| Budgetary Comparison Schedule -----     | 116 |
| Schedules of Net Pension Liability----- | 120 |
| Schedules of Net OPEB Liability-----    | 122 |

## 2: FINANCIAL SECTION (continued)

### *Other Supplementary Information - Combining Financial Statements, Schedules and Budget Comparison by Strategy*

#### Governmental Funds

##### Major Governmental Funds

##### State Highway Funds

Combining Balance Sheet ----- 128

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance ----- 129

##### Texas Mobility Funds

Combining Balance Sheet ----- 132

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances ----- 133

##### Nonmajor Governmental Funds

Combining Balance Sheet ----- 136

Combining Statement of Revenues, Expenditures and Changes in Fund Balances ----- 137

##### Nonmajor General Funds

Combining Balance Sheet ----- 140

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances ----- 141

##### Nonmajor Debt Service Funds

Combining Balance Sheet ----- 144

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances ----- 145

##### Nonmajor Capital Projects Funds

Combining Balance Sheet ----- 148

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances ----- 149

Budget Comparison by Strategy----- 150

## 3: STATISTICAL SECTION

Financial Trends Information----- 154

Revenue Capacity Information----- 158

Debt Capacity Information----- 162

Demographic and Economic Information----- 165

Operating Information ----- 168

## 4: OTHER INFORMATION

Schedule 1A - Schedule of Expenditures of Federal Awards (Unaudited) ----- 176

Schedule 1B - Schedule of State Grant Pass-Throughs from/to State Agencies (Unaudited)----- 183

#### Schedule 2 - Bond Schedules

Schedule 2A - Miscellaneous Bond Information ----- 186

Schedule 2B - Changes in Bonded Indebtedness ----- 188

Schedule 2C - Debt Service Requirements ----- 192

Schedule 2D - Analysis of Funds Available for Debt Service ----- 207

Schedule 2E - Defeased Outstanding Bonds ----- 208

Schedule 3 - Matrix of Expenditures Reported by Function - Governmental Funds (Unaudited)----- 209



# SECTION ONE

## INTRODUCTORY SECTION

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125 EAST 11TH STREET, AUSTIN, TEXAS 78701-2483 | 512.463.8588 | WWW.TXDOT.GOV

December 15, 2022

To: The Citizens of Texas  
The Honorable Greg Abbott, Governor  
The Honorable Glenn Hegar, Texas Comptroller  
Mr. Jerry McGinty, Director, Legislative Budget Board  
Ms. Lisa Collier, CPA, State Auditor

I am pleased to submit the audited annual comprehensive financial report of the Texas Department of Transportation (TxDOT) for the fiscal year ended Aug. 31, 2022, in compliance with Texas Government Code Annotated, Section 2101.11, the requirements established by the Texas Comptroller of Public Accounts and the Texas Transportation Code, Chapter 201, Section 2041. The financial data of TxDOT is included in the audited State of Texas Annual Comprehensive Financial Report (ACFR) as part of the primary government.

An external audit firm, Crowe LLP, performed an independent audit, in accordance with generally accepted auditing standards, of TxDOT's basic financial statements for the year ended Aug. 31, 2022. The audit opinion is presented in this report preceding the financial statements. This report was prepared by the accounting staff in the Financial Management Division of TxDOT. TxDOT's internal accounting controls provide reasonable assurance regarding the safeguarding of assets against loss from unauthorized use or disposal and the reliability of financial records for preparing financial statements. The concept of reasonable assurance recognizes that the cost of a control should not exceed the resulting benefit.

TxDOT Management is responsible for the accuracy of the data in this report as well as for the completeness and fairness of presentation. Consequently, management assumes full responsibility for the completeness and fairness of all the information presented in the financial statements. To the best of my knowledge and belief, the financial statements are accurate in all material respects, are reported in a manner that presents fairly the financial position and results of TxDOT's operations and provide disclosures that enable the reader to understand TxDOT's financial condition.

The Management's Discussion and Analysis (MD&A) provides a narrative introduction, overview and analysis of the financial activities of TxDOT. We encourage readers to consider the information in this letter of transmittal in conjunction with the MD&A.

### **Profile of the Government**

TxDOT is an agency of the state of Texas. Headquartered in Austin, TxDOT is organized by districts and divisions.

TxDOT is led by an executive director and governed by the five-member Texas Transportation Commission. All members of the Commission are appointed by the governor. Currently serving the Commission is Chairman J. Bruce Bugg, Jr. and Commissioners Alvin New, Laura Ryan, and Robert C. Vaughn. The Commission is authorized to issue general obligation and revenue bonds per statutory and constitutional provisions.

TxDOT has the statutory responsibility to coordinate planning, development, and operation of the state's highway system, as well as managing grant funding for public transit, aviation, maritime operations, traffic safety, and other services. TxDOT's mission is "Connecting You with Texas."

TxDOT's goals are to deliver the right projects; focus on the customer; foster stewardship; optimize system performance; preserve our assets; promote safety; and, value our employees. TxDOT values people, accountability, trust and honesty. This report reflects the operation of TxDOT and its blended component units.

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### **Budgetary Controls**

Budgetary control is established at the appropriation level set forth by the General Appropriations Act (GAA) on a biennial basis. The GAA becomes law after passage by the Legislature, certification by the Texas Comptroller of Public Accounts that the amounts appropriated are within the estimated collections, and upon the signing of the bill by the governor. After the GAA becomes law, the appropriated budgets are entered in the Uniform Statewide Accounting System (USAS) and TxDOT's internal PeopleSoft financial system. The budgetary control ensures compliance with any legislative initiatives and/or restrictions contained in the GAA. State budgets are requested and appropriated on a biennial cycle.

### **State Economy**

Texas has advantages such as relatively low living costs, an attractive business climate, a central Sunbelt location, and a balanced mix of industries that have enabled its economy to grow faster than the nation for many years. The services provided by TxDOT directly impact the state's economy. Over the long-term, the Texas economy benefits in many more ways from TxDOT's transportation network enhancements, including the positive impacts on business costs and productivity, labor market access, attractiveness to new business, residents and tourists, and property values. Investments in highway maintenance and construction serve as an immediate boost to the economy through the employment of workers and the production of construction materials.

### **Long-Term Financial Planning**

The population of Texas was approximately 29 million as of the 2020 census. According to the state demographer, Texas population is expected to grow to approximately 35 million people by 2030. Population growth brings more congestion to urban areas, increases the stress on roads and bridges, and places greater demand on rural highways to support freight movement and travel connections between farms, ranches, homes, jobs and markets.

The 10-year Unified Transportation Program (UTP), approved by the Texas Transportation Commission, was developed with extensive public input. It targets congestion in the state's most-populated areas and includes projects to better connect the major interstates in rural areas with local roads and highways. Also, in outside urban areas, the program calls for enhancing and completing interstate highways, and addressing the continuing needs within the energy sector and along hurricane evacuation routes.

### **Current Financial Conditions**

Major revenue sources of the programs are as follows:

**Federal Funds** - Approximately 37 percent of TxDOT's revenue comes from federal funds. TxDOT receives the largest share of federal funds from reimbursements for projects that are either already constructed or in the process of being constructed. The federal gasoline tax rate is 18.4 cents per gallon and the diesel tax is 24.4 cents per gallon. Federal fuel tax rates have remained the same since 1993, and these rates have not kept up with increased federal spending. For this reason, Congress has regularly contributed general fund dollars to supplement transportation funding to the states.

**Motor Fuels Tax and Vehicle Registration Fees** - State motor vehicle fuels tax revenue and vehicle registration fees make up approximately 30 percent of traditional, constitutionally dedicated State Highway Fund dollars. State motor fuels taxes include taxes on gasoline, diesel fuel, motor fuel lubricants, and liquefied and compressed natural gas. Texas' tax rates on gasoline and diesel have remained at 20 cents per gallon since 1991. Three-quarters of the state's motor fuels tax revenue is allocated to the State Highway Fund and the remaining quarter goes to the state's Available School Fund. In Texas and many other states, motor fuels tax collections have begun to fall short of their ability to meet the ever-rising cost of the transportation projects they support. In Texas, voters have subsequently approved measures to supplement road funding by drawing revenues from oil and gas production taxes, general sales tax and sales tax on motor vehicles and rentals as explained in Proposition 1 and Proposition 7 below.

December 15, 2022

**Proposition 1 Funds** – These funds are derived from a portion of oil and gas production taxes that voters approved in fiscal year 2014. Pursuant to Section 49-g (c), Article III, Texas Constitution, the funds may be used for “constructing, maintaining, and acquiring rights-of-way for public roadways other than toll roads.” Proposition 1 funds are received annually by TxDOT. In November 2021, TxDOT received \$1.46 billion in Proposition 1 funds for fiscal 2021. TxDOT received \$3.64 billion in November 2022 for fiscal 2022. Proposition 1 fund transfers to the State Highway Fund expire Dec. 31, 2034, unless a future state legislature votes to extend it.

**Proposition 7 Funds** - On Nov. 3, 2015, Texas voters approved the ballot measure known as Proposition 7 that dedicates a portion of the revenue from the state sales and use tax and motor vehicle sales and rental tax to the State Highway Fund. Proposition 7 funds are deposited into the State Highway Fund pursuant to Section 7-c, Article VIII, Texas Constitution. Under the amendment there are two components of Proposition 7.

1. The first involves a portion of the state sales and use tax. Once state sales tax collections exceed \$28.0 billion in a fiscal year, the next \$2.5 billion is deposited into the State Highway Fund. TxDOT received a total of \$2.5 billion in 2022. This general sales tax provision will continue to occur until its expiration at the end of fiscal 2032, unless a future state legislature votes to extend it.

2. The second component occurs when the state motor vehicle sales and rental tax revenue exceeds \$5.0 billion in a fiscal year. When that happens, 35 percent of the total amount above \$5.0 billion is deposited into the State Highway Fund. In August 2022, TxDOT received \$489 million, the second deposit of state motor vehicle sales and rental tax after the law was enacted. This motor vehicle sales and rental taxes tax provision expires at the end of fiscal 2029, unless a future legislature votes to extend it.

**Texas Mobility Fund** - The Texas Mobility Fund was authorized by voters in 2001 to advance transportation projects, and the legislature identified revenues to be dedicated to the fund in 2003. The bond proceeds may be used to fund the construction, reconstruction, acquisition, and expansion of state highways and to provide a portion of the costs of constructing public transportation projects. A temporary restriction on Texas Mobility Fund Bond issuance was lifted in the last regular legislative session of the Texas Legislature (87th Legislature, Regular Session, 2021). The bond issuance restriction will resume Jan. 1, 2027. Until then, TxDOT has authority to issue up to \$3.6 billion in Texas Mobility Fund Bonds if the capacity allows for the full issuance.

## Major Initiatives

- **Road to Zero** - Safety on our state’s transportation infrastructure is TxDOT’s number one priority. Despite the department’s efforts to build and maintain the safest roads and educate Texans on safe driving behaviors, traffic fatalities continue to occur. For nearly the past two decades, at least one person has died on our roadways every day, and in calendar year 2021, 4,492 people died in traffic crashes. To emphasize the department’s commitment that one traffic fatality is too many, the Transportation Commission has set a goal of zero crash fatalities by 2050, with a starting goal of cutting fatalities in half by 2035. The Texas Transportation Commission allocated an additional \$300 million toward roadway safety improvements in 2022. TxDOT will continue investing in the best engineering practices to make roads safer, address safety education, and assist in enforcement and safety awareness programs like “Talk. Text. Crash.” and “Click It or Ticket.”
- **Funding Key Priorities in the UTP** - The Texas Transportation Commission approved TxDOT’s Unified Transportation Program (UTP) for fiscal 2023 that includes more than \$85 billion dedicated to improving safety, addressing congestion and connectivity, and preserving roadways for Texas drivers.
- **Texas Clear Lanes** - The Texas Transportation Commission continues to address traffic congestion in our state through its Texas Clear Lanes (TCL) effort which targets congested corridors in Austin, Dallas, Fort Worth, Houston, and San Antonio, the state’s most populated regions. Led by Commission Chairman J. Bruce Bugg,

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December 15, 2022

Jr., TCL was created in response to a directive by Gov. Greg Abbott to the Commission to identify and address the state's most congested chokepoints.

- Infrastructure Investment and Jobs Act (IIJA) - The \$1.2 trillion infrastructure bill was signed into law by President Biden on November 15, 2021, to improve the country's roads, bridges, pipes, ports, and broadband internet connections. Based on formula funding, the entire state of Texas expects to receive \$35 billion: \$27.8 billion of which would go toward federal highway programs in Texas; \$3.3 billion to public transportation in both in rural and urban areas (\$450 million of the \$3.3 billion passes through TxDOT); \$537 million for bridge rehabilitation and replacement; \$408 million to expand the state's electric vehicle charging network; \$173 million for general aviation airports; and \$35.48 million for the construction of ferry boats and terminals. Only a portion of this funding represents additional funding for Texas. The majority of this funding is a reauthorization of existing funding TxDOT has traditionally received through federal transportation programs. The IIJA will provide TxDOT with federal funding through FY 2026.

### Certificate of Achievement

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Texas Department of Transportation for its annual comprehensive financial report for the year ended August 31, 2021. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

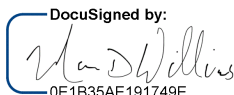
### Popular Annual Financial Report

Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the Texas Department of Transportation for its Popular Annual Financial Report for the fiscal year August 31, 2021. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA to determine its eligibility for another Award.

### Acknowledgments

The preparation of the report requires the efforts of individuals throughout TxDOT, including the dedicated efforts of the management and staff of the TxDOT Financial Reports Section; the Financial Management Division; and the Project Finance, Debt, and Strategic Contracts Division. I sincerely appreciate the efforts of all these individuals who continue to help make TxDOT a leader in quality financial reporting.

Sincerely,

DocuSigned by:  
  
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Marc D. Williams  
Executive Director

DocuSigned by:  
  
E5670E9944BB433...

Stephen Stewart, CPA  
Chief Financial Officer

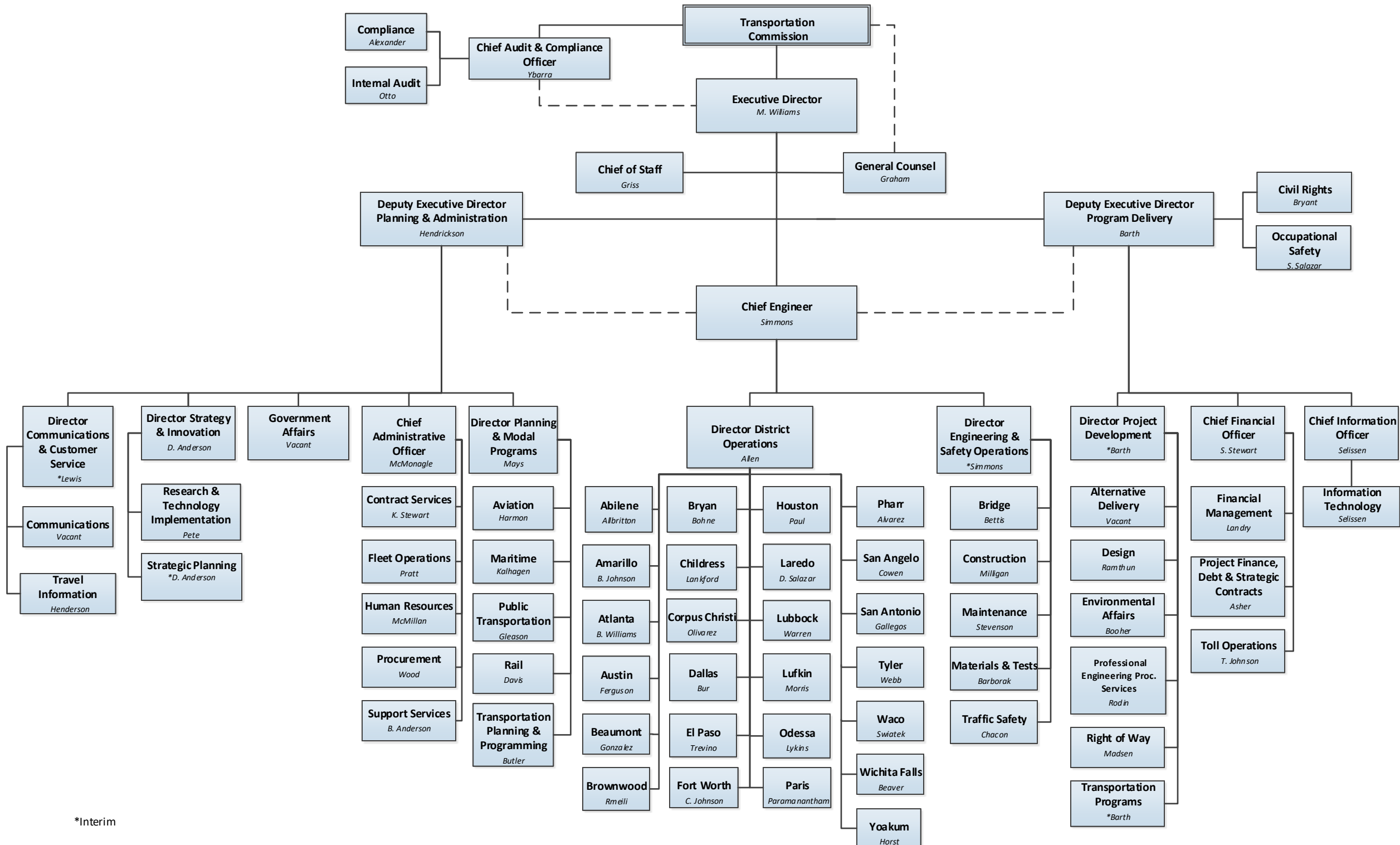
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# Texas Department of Transportation

## Organization Chart as of August 31, 2022



\*Interim

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## TEXAS TRANSPORTATION COMMISSION



**J. Bruce Bugg, Jr.**  
Chairman  
San Antonio



**Alvin New**  
Commissioner  
San Angelo



**Laura Ryan**  
Commissioner  
Houston



**Robert C. Vaughn**  
Commissioner  
Dallas

## TxDOT ADMINISTRATION

The following is a list of administrators who oversee the Texas Department of Transportation. All TxDOT districts, divisions and offices report to a member of the administration, headquartered in Austin.



**Marc Williams**  
Executive Director



**Brandye Hendrickson**  
Deputy Executive  
Director for  
Planning and  
Administration



**Brian Barth**  
Deputy Executive  
Director for  
Program Delivery



**Richard McMonagle**  
Chief  
Administrative  
Officer



**Benito Ybarra**  
Chief Audit and  
Compliance  
Officer



**Lance W. Simmons**  
Chief Engineer



**Stephen Stewart**  
Chief Financial  
Officer



**Anh Selissen**  
Chief Information  
Officer



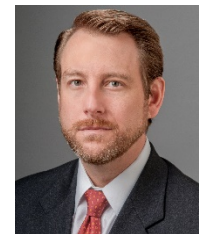
**Mary Anne Griss**  
Chief of Staff



**Raquelle Lewis**  
Interim Director of  
Communications and  
Public Affairs



**Darran Anderson**  
Director of Strategy  
and Innovation



**Jeff Graham**  
General Counsel

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**Texas Department of Transportation**

For its Annual Comprehensive  
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For the Fiscal Year Ended

August 31, 2021

*Christopher P. Morrell*

Executive Director/CEO

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## SECTION TWO

# FINANCIAL SECTION

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## INDEPENDENT AUDITOR'S REPORT

*Members of the Texas Transportation Commission  
State of Texas*

**Report on the Audit of the Financial Statements*****Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Texas Department of Transportation (TxDOT), an agency of the State of Texas (State), as of and for the year ended August 31, 2022, and the related notes to the financial statements, which collectively comprise TxDOT's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of TxDOT, as of August 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of TxDOT, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Emphasis of Matters***

As discussed in Note 1, the financial statements of TxDOT are intended to present the financial position, and the changes in financial position, and, where applicable, cash flows of only that portion of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the State of Texas that is attributable to the transactions of TxDOT. They do not purport to, and do not, present fairly the financial position of the State, as of August 31, 2022, and the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.



As discussed in Note 14 to the consolidated financial statements, in 2022, TxDOT adopted new accounting guidance GASB Statement 87, *Leases*. The adoption resulted in recording a lease payable, right-of-use lease asset, lease receivable and deferred inflow of resources-leases. The impact of adoption was a restatement of the net position as of September 1, 2021. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of TxDOT's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis, Budgetary Comparison Schedule, Schedules of Net Pension Liability and Schedules of Net OPEB Liability* on pages 16-30, 116-118, 120-121 and 122-123, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise TxDOT's basic financial statements. The combining financial statements and the supplementary bond schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements and the supplementary bond schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, statistical section, Schedule 1A, 1B and Schedule 3 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2022, on our consideration of TxDOT's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of TxDOT's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering TxDOT's internal control over financial reporting and compliance.



Crowe LLP

Dallas, Texas  
December 15, 2022

SECTION TWO (CONTINUED)

# MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Texas Department of Transportation's (TxDOT's) annual financial statements presents our discussion and analysis of TxDOT's financial performance during the fiscal year ended Aug. 31, 2022. Readers should use this section in conjunction with TxDOT's basic financial statements to further enhance their understanding of TxDOT's financial performance.

### Financial Highlights

- The government-wide financial statements and Statement of Net Position shows assets and deferred outflows totaling \$159.3 billion, an increase of \$9.3 billion from fiscal year 2021, while liabilities and deferred inflows equaled \$44.0 billion, a decrease of \$936.5 million. The increase in assets and deferred outflows was primarily due to the addition of capital assets of \$7.7 billion and the increase in the due from other agencies balance of \$2.1 billion for Proposition 1 taxes received from the State Comptroller of Public Accounts after fiscal year end. The decrease in liabilities was primarily due to a decrease in long-term pension liabilities of \$2.7 billion during fiscal 2022. The largest revenue source earned in 2022 was from taxes with a total of \$9.5 billion. This was followed by operating grants and contributions with \$4.7 billion. A \$2.3 million restatement in net position was recognized during fiscal 2022 due to a change in accounting principle after the implementation of GASB Statement No. 87, Leases.
- TxDOT ended fiscal year 2022 with a combined fund balance for its governmental funds of \$9.4 billion, an increase of \$673.7 million or 7.7 percent, from fiscal year 2021. The fund balance increased by \$765.2 million in the State Highway Fund, increased by \$72.3 million in the Texas Mobility Fund, and decreased by \$163.8 million in Nonmajor Funds. Total revenues in the governmental funds for fiscal 2022 were \$12.8 billion, which were \$176.5 million or 1.4 percent lower than the prior year amount of \$13.0 billion primarily due to the decrease in federal revenues. Total expenditures in governmental funds for fiscal year 2022 were \$14.1 billion, which decreased by \$60.3 million or less than one percent from the fiscal year 2021 amount of \$14.2 billion primarily due to the decrease in active construction projects during fiscal 2022.
- TxDOT ended fiscal year 2022 with a combined deficit net position balance for its proprietary funds of \$104.8 million, a decrease of \$198.3 million or 212.1 percent, from fiscal year 2021. The net position balance decreased by \$87.5 million in the Central Texas Turnpike System, decreased by \$113.2 million in the Grand Parkway Transportation Corporation, and increased by \$2.4 million in the SH 249 System. Total operating revenues in the proprietary funds for fiscal 2022 were \$519.2 million, which were \$142.1 million or 37.7 percent higher than the fiscal 2021 amount of \$377.1 million primarily due to the increase in the number of toll transactions. Total operating expenses in proprietary funds for fiscal year 2022 were \$393.3 million, which increased by \$100.7 million or 34.4 percent from the fiscal year 2021 amount of \$292.7 million primarily due to the increase in stabilization costs for the Toll Backoffice System.
- Fitch Ratings upgraded the Texas Transportation Commission's (TTC) first tier debt issued on behalf of the Central Texas Turnpike System (CTTS) to 'A+' from 'A' and second tier debt to 'A-' from 'BBB+'. The upgrade reflects strong and sustainable system traffic and revenue growth coming out of the pandemic, higher toll rates based on inflationary increases, and the more established operational history of the System.
- TxDOT received a total of \$2.5 billion in Proposition 7 funds for state sales and use taxes during fiscal 2022. In Aug. 2022, the department also received \$489.2 million of additional Proposition 7 funds for the state motor vehicle sales and rental tax revenue.
- TxDOT received a total of \$1.46 billion in Proposition 1 funds for oil and natural gas production taxes during fiscal 2022. The funding will be used by the state highway fund to assist in the completion of transportation construction, maintenance and rehabilitation projects, not to include toll roads.

### Overview of Financial Statements

The financial section of this annual comprehensive financial report consists of four parts: (1) management's discussion and analysis (MD&A), (2) basic financial statements and related notes, (3) required supplementary information other than MD&A, and (4) other supplementary information presenting combining statements. The report also includes TxDOT's schedule of expenditures of federal awards, bond schedules matrix of expenditures reported by function for governmental funds and Statistical section.

TxDOT's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applied to governmental units. The basic financial statements include entity-wide financial statements, fund financial statements and notes to financial statements that provide more detailed information to supplement the basic financial statements.



## Entity-wide Financial Statements

The entity-wide financial statements are designed to present an overall picture of the financial position of TxDOT. These statements consist of the statement of net position and the statement of activities, which are prepared using the economic resources measurement focus and the accrual basis of accounting. This means that all the current year's revenues and expenses are included regardless of when cash is received or paid, producing a view of financial position similar to that presented by most private sector companies.

The statement of net position combines and consolidates TxDOT's current financial resources with capital assets and long-term obligations. This statement includes all of TxDOT's assets and liabilities. Net position is the difference between TxDOT's total assets, and deferred outflows of resources, total liabilities and deferred inflows of resources. Net position represents one measure of TxDOT's financial health.

The statement of activities focuses on both the gross and net cost of various activities (governmental and business-type); these costs are paid by general taxes and other revenues. This statement summarizes the cost of providing (or the subsidy provided by) specific government services and includes all current year revenues and expenses.

The statement of net position and the statement of activities divide TxDOT's activities into two types.

- **Governmental Activities:** TxDOT's basic services are reported here including the activity of all the governmental funds.
- **Business-Type Activities:** The financial activity associated with the Central Texas Turnpike System (CTTS), Grand Parkway Transportation Corporation (GPTC), and SH 249 System is reported here.

## Fund Financial Statements

Fund financial statements present financial information with a focus on the most significant funds. Use these statements to find more detailed information about TxDOT's most significant activities. A fund is a separate accounting entity with a self-balancing set of accounts. TxDOT uses funds to keep track of sources of funding and spending related to specific activities.

### *Governmental Funds*

A majority of TxDOT's activities are reported in governmental funds. Reporting of these funds focuses on how money flows into and out of the funds, and amounts remaining at year-end for future spending. Governmental funds are accounted for using the modified accrual basis of accounting, which measures cash and other assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of TxDOT's general governmental operations and the basic services it provides. This information should be helpful to determine whether there are more or less resources available for TxDOT's programs. The reconciliation following the fund financial statements explains the differences between the government's activities, reported in the entity-wide statement of net position and entity-wide statement of activities, and the governmental funds. The State Highway Fund and Texas Mobility Fund are reported as major funds.

### *Proprietary Funds*

When TxDOT charges customers for services it provides, these activities are generally reported in proprietary funds. Services provided to outside (non-governmental) customers are reported in enterprise funds, a component of proprietary funds, and are accounted for using the economic resources measurement focus and the accrual basis of accounting. These are the same business-type activities reported in the entity-wide financial statements but are reported here to provide information at the fund level. The CTTS, GPTC and SH 249 System funds are TxDOT's only proprietary funds.

### *Notes to the Financial Statements*

The notes provide additional information that is essential for a full understanding of data provided in the entity-wide and fund financial statements. The notes to the financial statements can be found immediately following the proprietary fund financial statements.

### *Additional Information*

The Required Supplementary Information (RSI) section immediately follows the basic financial statements and related notes section of this report. Following the RSI are other statements and schedules, including the combining statements for nonmajor governmental funds.

## Financial Analysis of TxDOT as a Whole

### *Net Position*

Assets – TxDOT’s total assets increased by \$9.8 billion during the current fiscal year to \$148.2 billion. Capital assets increased by \$7.0 billion during the current fiscal year. Construction in progress and land and land improvement accounted for most of these additions. See capital assets section of this management’s discussion and analysis for more information on the accounting treatment of capital assets.

Deferred Outflow – TxDOT’s total deferred outflow of resources decreased by 487.4 million or 27.2 percent from fiscal 2021. The increase was due to \$540.8 million decrease in pension and \$34.4 million decrease in loss on bond refunding and \$87.9 million increase other postemployment benefits.

Liabilities – TxDOT’s total liabilities decreased by \$3.2 million during the current fiscal year to \$28.8 billion. Noncurrent liabilities accounted for 85.0 percent of total liabilities.

Deferred Inflow – TxDOT’s total deferred inflow of resources increased by \$2.3 billion during the current fiscal year to \$15.2 billion. Most of the increase was due to a combination of an increase of \$918.7 million in Service Concession Arrangements and an increase of \$1.9 billion in pension deferred inflows of resources.

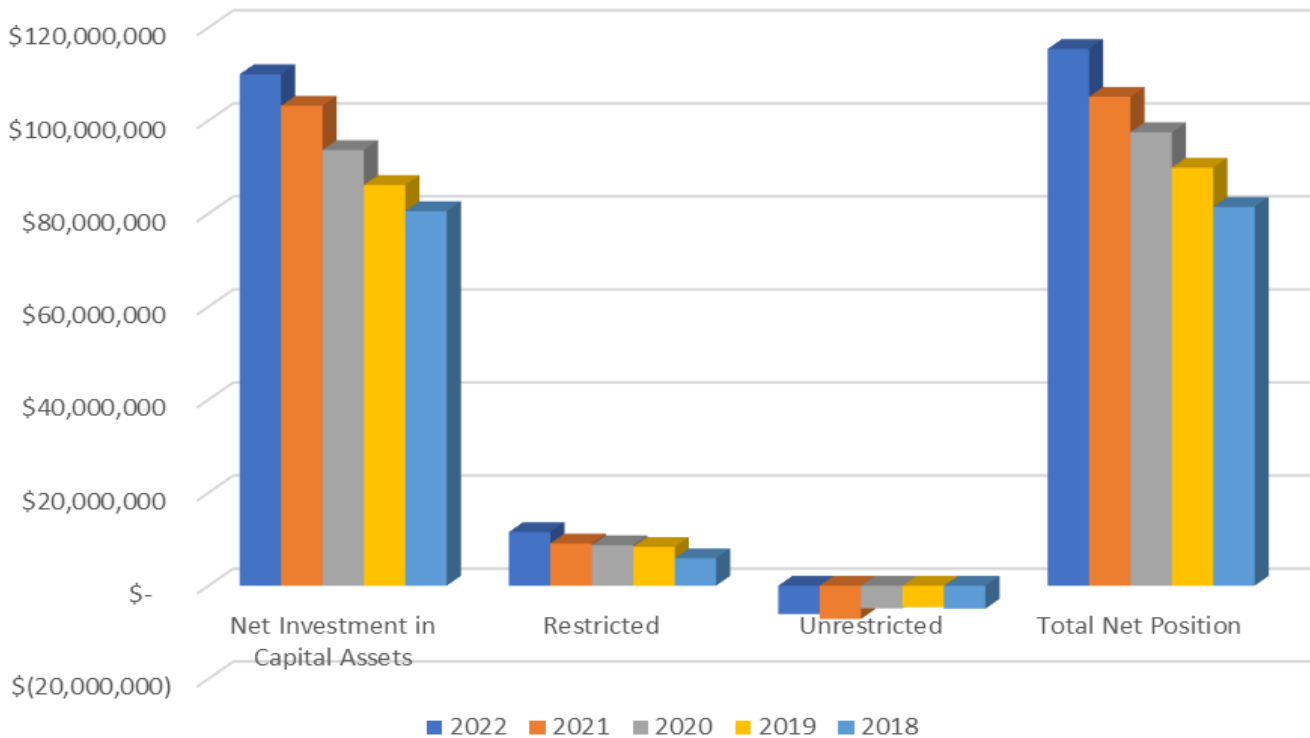
Net Position – TxDOT’s overall net position increased 9.8 percent or \$10.3 billion from the prior fiscal year. The three components of net position are:

- Net Investment in Capital Assets: The most significant portion of net position (98.2 percent or \$109.9 billion) is invested in capital assets. Capital assets are long-lived in nature and cannot be used to liquidate liabilities. TxDOT’s investment in capital assets is reported net of related debt.
- Restricted Net Position: This portion of net position (10.0 percent or \$11.5 billion) is restricted, representing funds that are limited to construction activities, payment of debt, or specific programs by law.
- Unrestricted Net Position The remaining portion of net position is unrestricted, representing resources not required to be reported in the other two components of net position. TxDOT had a deficit unrestricted net position balance of \$7.2 billion in fiscal 2022 since the combined balance in the Net Investment in Capital Assets and Restricted components of net position exceeded the total net position. A two-year representation of TxDOT’s net position balances is presented as follows.

**Statement of Net Position**

August 31, 2022 and 2021 (Amounts in Thousands)

|                                      | Governmental Activities |                       | Business-Type Activities |                  | Total Primary Government |                       |
|--------------------------------------|-------------------------|-----------------------|--------------------------|------------------|--------------------------|-----------------------|
|                                      | 2022                    | 2021                  | 2022                     | 2021             | 2022                     | 2021                  |
| <b>ASSETS</b>                        |                         |                       |                          |                  |                          |                       |
| Assets Other Than Capital Assets     | \$ 15,514,801           | \$ 12,622,515         | \$ 4,969,417             | \$ 5,099,660     | \$ 20,484,218            | \$ 17,722,175         |
| Capital Assets                       | 134,585,642             | 127,452,466           | 3,011,811                | 3,071,895        | 137,597,453              | 130,524,361           |
| <b>Total Assets</b>                  | <b>150,100,443</b>      | <b>140,074,981</b>    | <b>7,981,228</b>         | <b>8,171,555</b> | <b>158,081,671</b>       | <b>148,246,536</b>    |
| <b>DEFERRED OUTFLOW OF RESOURCES</b> | <b>1,112,784</b>        | <b>1,592,425</b>      | <b>194,705</b>           | <b>202,429</b>   | <b>1,307,489</b>         | <b>1,794,854</b>      |
| <b>LIABILITIES</b>                   |                         |                       |                          |                  |                          |                       |
| Current Liabilities                  | 3,454,143               | 3,610,904             | 864,500                  | 217,251          | 4,318,643                | 3,828,155             |
| Non-current Liabilities              | 17,118,618              | 20,177,480            | 7,391,154                | 8,036,793        | 24,509,772               | 28,214,273            |
| <b>Total Liabilities</b>             | <b>20,572,761</b>       | <b>23,788,384</b>     | <b>8,255,654</b>         | <b>8,254,044</b> | <b>28,828,415</b>        | <b>32,042,428</b>     |
| <b>DEFERRED INFLOW OF RESOURCES</b>  | <b>15,150,113</b>       | <b>12,871,239</b>     | <b>25,067</b>            | <b>26,460</b>    | <b>15,175,180</b>        | <b>12,897,699</b>     |
| <b>NET POSITION</b>                  |                         |                       |                          |                  |                          |                       |
| Net Investment in Capital Assets     | 109,237,358             | 102,426,873           | 720,225                  | 752,563          | 109,957,583              | 103,179,436           |
| Restricted                           | 11,153,348              | 8,642,379             | 386,685                  | 430,666          | 11,540,033               | 9,073,045             |
| Unrestricted                         | (4,900,353)             | (6,061,469)           | (1,211,698)              | (1,089,749)      | (6,112,051)              | (7,151,218)           |
| <b>Total Net Position</b>            | <b>\$ 115,490,353</b>   | <b>\$ 105,007,783</b> | <b>\$ (104,788)</b>      | <b>\$ 93,480</b> | <b>\$ 115,385,565</b>    | <b>\$ 105,101,263</b> |

**TxDOT Total Net Position (Amounts in Thousands)**


## ***Changes in Net Position***

Increases and decreases in the net position measure whether TxDOT's financial position is improving or deteriorating over time.

TxDOT earned program revenues of \$6.4 billion and general revenues of \$9.5 billion, for total revenues of \$15.9 billion. The expenses of TxDOT were \$7.6 billion. The total net position increased to \$115.4 billion in fiscal 2022 from \$105.1 billion in fiscal 2021 due to revenues exceeding expenses. Revenues and expenses of TxDOT's governmental and business-type activities are detailed below.

### **Governmental Activities**

The change in net position of governmental activities was \$10.5 billion compared to \$7.9 billion in fiscal 2021. \$14.2 billion of operating grants and contributions and taxes contributed to 91.9 percent of total revenues of \$15.4 billion. In fiscal 2022, operating grants and contributions increased by \$293.3 million compared to fiscal 2021. The federal revenue decrease of 11.1 percent was offset with an increase in taxes of \$2.4 billion in fiscal 2022. Total expenses increased by \$430.5 million from \$6.5 billion in fiscal 2021 to \$6.9 billion in fiscal 2022. This was due to a reduction in active construction contracts and the completion of the Stassney Headquarters building during fiscal 2022.

### **Business-Type Activities**

In fiscal 2022, the net position of business-type activities decreased by a total of \$198.3 million or 212.1 percent from \$93.5 million to a deficit balance of \$104.8 million. Total revenues increased by \$121.3 million or 31.4 percent from \$386.5 million in fiscal 2021 to \$507.9 million in fiscal 2022. This was primarily due to an increase in toll revenues from the catchup of processing and billing delays relating to Pay by Mail toll transactions occurring after conversion to TxDOT's new toll back-office system in fiscal 2021. Negative revenues were recognized in operating grants and contributions. Total expenses increased by \$102.5 million or 16.9 percent from \$607.4 million in fiscal 2021 to \$710.0 million in fiscal 2022 after TxDOT entered contracts with interim technology providers to assist with stabilizing and improving TxDOT's back-office system to manage customer data and toll transactions.

**Changes in Net Position**

For the Fiscal Years Ended August 31, 2022 and 2021 (Amounts in Thousands)

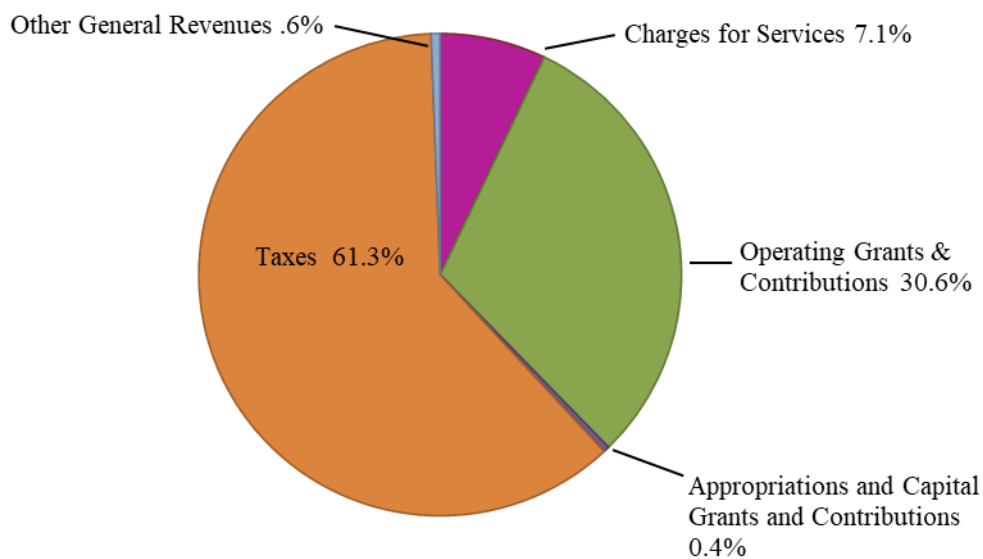
|   | <b>Governmental Activities</b> |                       | <b>Business-Type Activities</b> |                  | <b>Total Primary Government</b> |                       |
|---|--------------------------------|-----------------------|---------------------------------|------------------|---------------------------------|-----------------------|
|   | <b>2022</b>                    | <b>2021</b>           | <b>2022</b>                     | <b>2021</b>      | <b>2022</b>                     | <b>2021</b>           |
| <b>REVENUES</b>   |                                |                       |                                 |                  |                                 |                       |
| Program Revenues:   |                                |                       |                                 |                  |                                 |                       |
| Charges for Services                                      | \$ 1,094,551                   | \$ 1,126,044          | \$ 519,230                      | \$ 377,117       | \$ 1,613,781                    | \$ 1,503,161          |
| Operating Grants and Contributions                        | 4,714,863                      | 4,421,479             | (11,362)                        | 9,364            | 4,703,501                       | 4,430,843             |
| Capital Grants and Contributions                          | 58,860                         | 55,201                |                                 |                  | 58,860                          | 55,201                |
| Total Program Revenues                                    | <u>5,868,274</u>               | <u>5,602,724</u>      | <u>507,868</u>                  | <u>386,481</u>   | <u>6,376,142</u>                | <u>5,989,205</u>      |
| General Revenues:   |                                |                       |                                 |                  |                                 |                       |
| Appropriations  | 1,484                          | 457                   |                                 |                  | 1,484                           | 457                   |
| Taxes   | 9,452,897                      | 7,067,231             |                                 |                  | 9,452,897                       | 7,067,231             |
| Unrestricted Investment Earnings                          | 60,106                         | 86,437                |                                 |                  | 60,106                          | 86,437                |
| Settlement of Claims                                      | 36,949                         | 43,473                |                                 | 18               | 36,949                          | 43,491                |
| Other General Revenues                                    | 2,576                          | 2,240                 |                                 |                  | 2,576                           | 2,240                 |
| Total General Revenues                                    | <u>9,554,012</u>               | <u>7,199,838</u>      | <u>0</u>                        | <u>18</u>        | <u>9,554,012</u>                | <u>7,199,856</u>      |
| Total Revenues  | <u>15,422,286</u>              | <u>12,802,562</u>     | <u>507,868</u>                  | <u>386,499</u>   | <u>15,930,154</u>               | <u>13,189,061</u>     |
| <b>EXPENSES</b>   |                                |                       |                                 |                  |                                 |                       |
| Transportation  | <u>6,893,610</u>               | <u>6,463,064</u>      | <u>710,006</u>                  | <u>607,473</u>   | <u>7,603,616</u>                | <u>7,070,537</u>      |
| Total Expenses  | <u>6,893,610</u>               | <u>6,463,064</u>      | <u>710,006</u>                  | <u>607,473</u>   | <u>7,603,616</u>                | <u>7,070,537</u>      |
| Excess (Deficiency) Before Special<br>Items and Transfers | 8,528,676                      | 6,339,500             | (202,138)                       | (220,972)        | 8,326,538                       | 6,118,528             |
| Transfers - Internal Activities                           | (3,870)                        | (38,876)              | 3,870                           | 38,876           |                                 |                       |
| Transfers - Other State Agencies                          | <u>1,960,028</u>               | <u>1,583,581</u>      |                                 |                  | <u>1,960,028</u>                | <u>1,583,581</u>      |
| Change in Net Position                                    | <u>10,484,834</u>              | <u>7,884,205</u>      | <u>(198,268)</u>                | <u>(182,096)</u> | <u>10,286,566</u>               | <u>7,702,109</u>      |
| Net Position, Beginning Balance                           | 105,007,783                    | 97,218,099            | 93,480                          | 275,576          | 105,101,263                     | 97,493,675            |
| Change in Accounting Principle*                           | <u>(2,264)</u>                 | <u>(94,521)</u>       |                                 |                  | <u>(2,264)</u>                  | <u>(94,521)</u>       |
| Net Position, September 1, 2020, as Restated              | <u>105,005,519</u>             | <u>97,123,578</u>     | <u>93,480</u>                   | <u>275,576</u>   | <u>105,098,999</u>              | <u>97,399,154</u>     |
| Net Position, Ending Balance                              | <u>\$ 115,490,353</u>          | <u>\$ 105,007,783</u> | <u>\$ (104,788)</u>             | <u>\$ 93,480</u> | <u>\$ 115,385,565</u>           | <u>\$ 105,101,263</u> |

\*Change in Accounting Principle due to GASB 87 transition in 2022 and Implementation Guide 2019-1 transition in 2021.



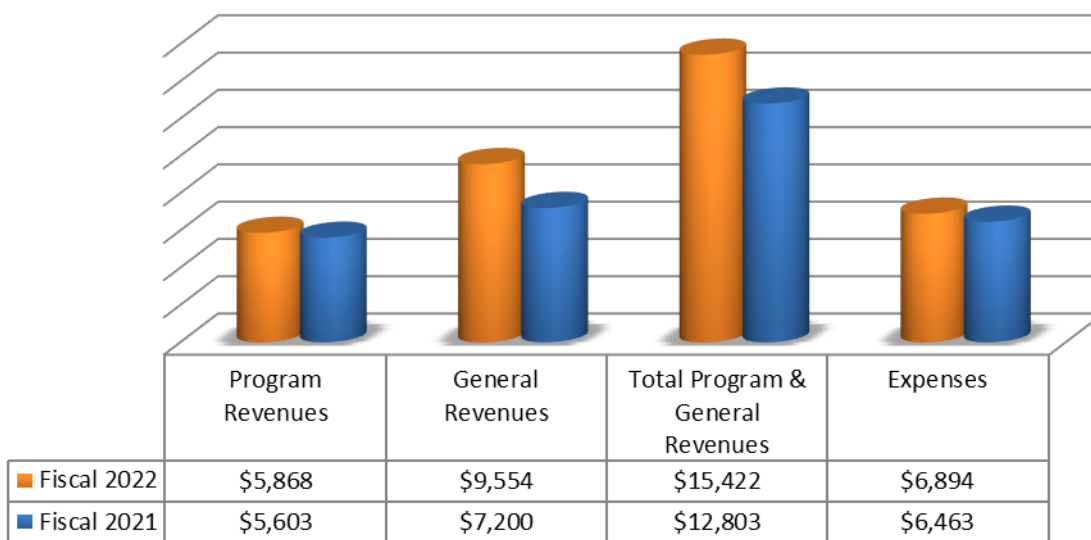
### Revenues by Source: Governmental Activities

For the Fiscal Year Ended August 31, 2022



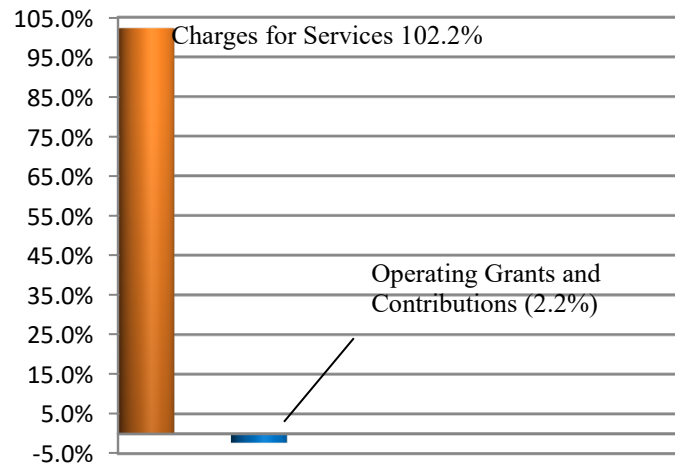
### Expenses and Revenues: Governmental Activities

For the Fiscal Years August 31, 2022 and 2021 (In Millions)



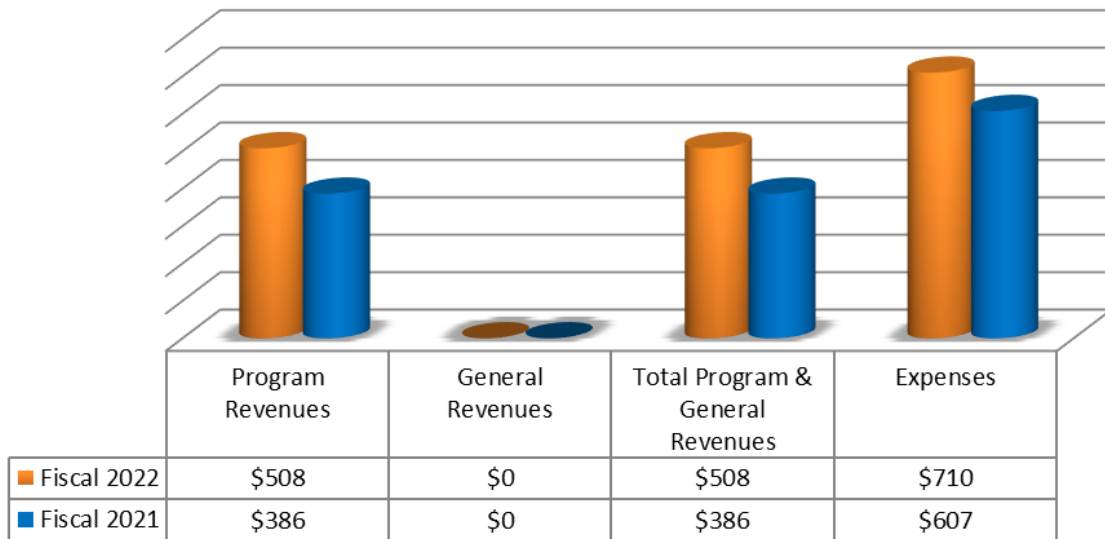
### Revenues by Source: Business-Type Activities

For the Fiscal Year Ended August 31, 2022



### Expenses and Revenues: Business Activities

For the Fiscal Years August 31, 2022 and 2021 (In Millions)



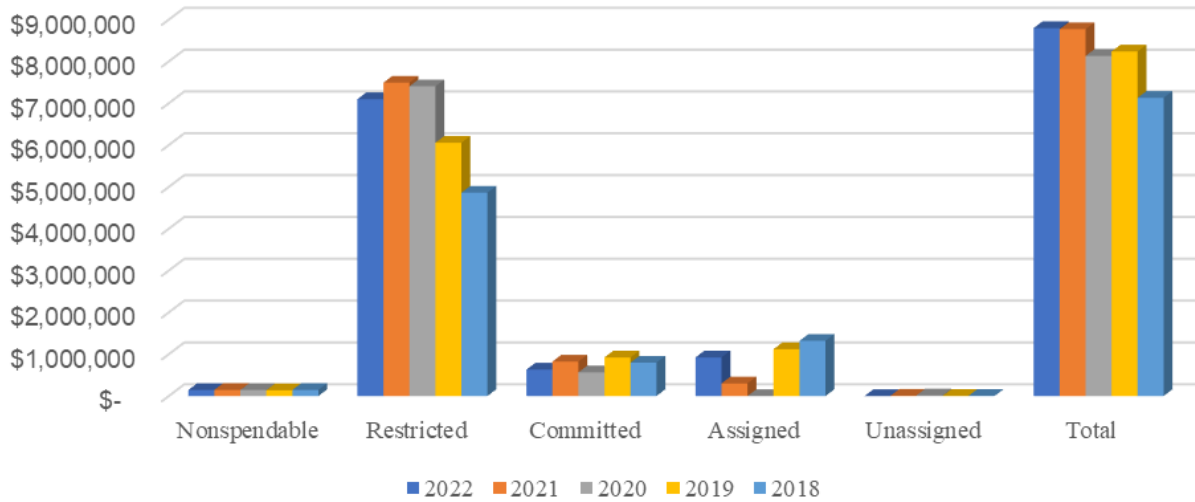
## Financial Analysis of TxDOT's Funds

### Governmental Funds

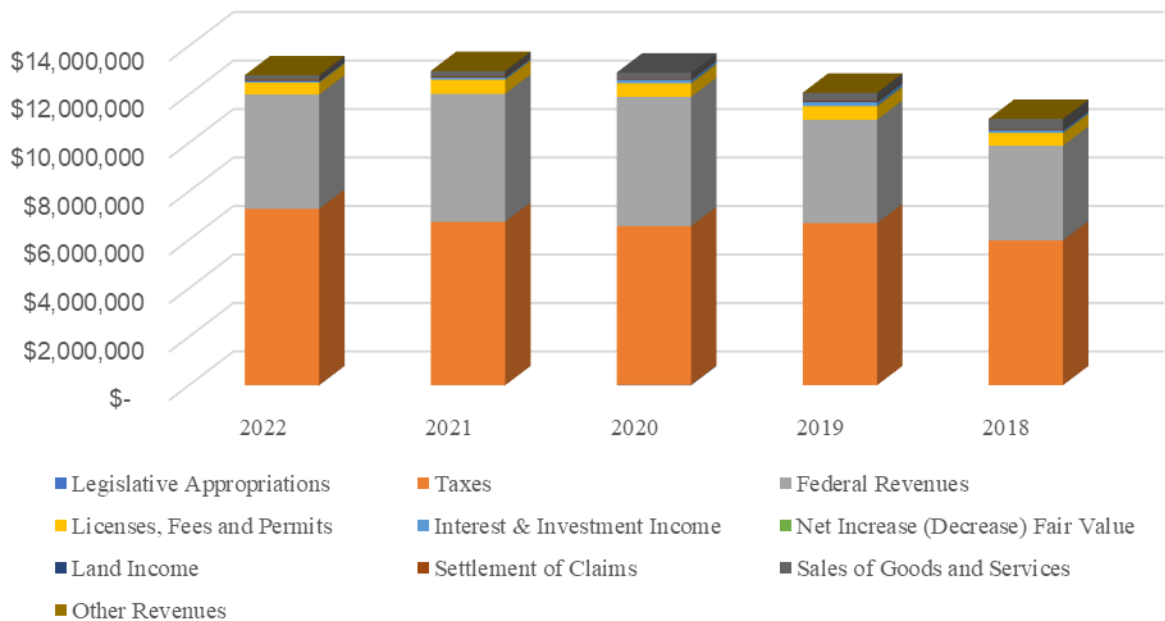
The focus of TxDOT's governmental funds financial statements is to provide information on how money flows into and out of the funds, and amounts remaining at year-end for future spending. All major governmental funds are discretely presented on these financial statements, while the nonmajor governmental funds are combined into a single column. Combining statements for the nonmajor governmental funds are presented in the Other Supplementary Information section.

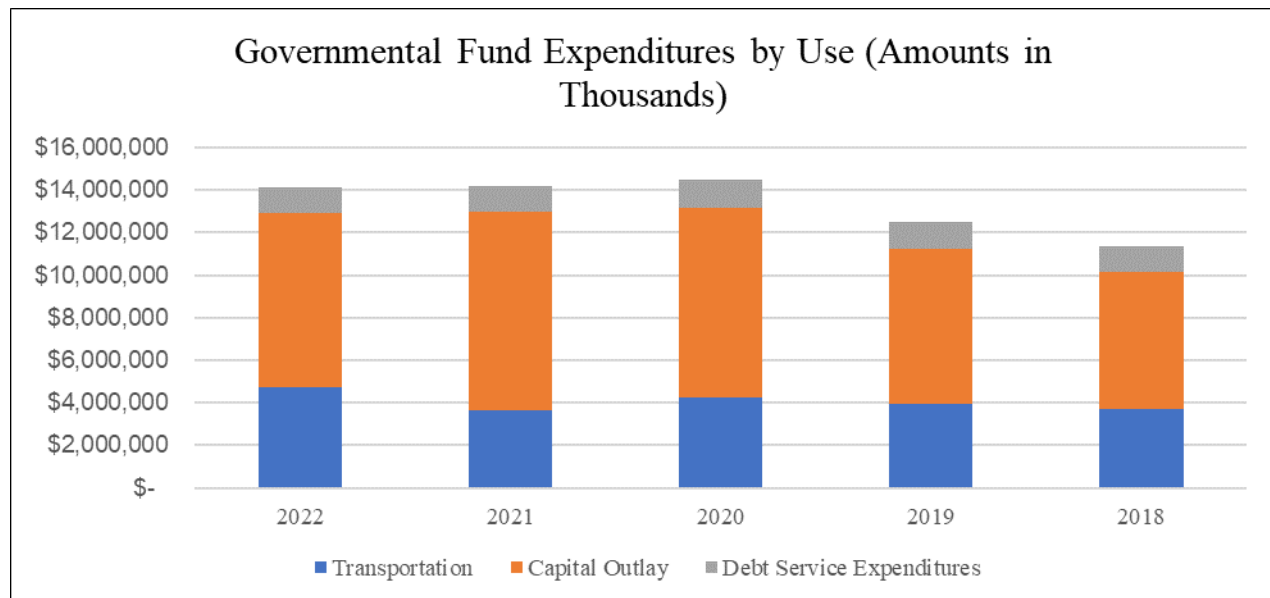
TxDOT's governmental funds reported a combined ending fund balance of \$9.4 billion on Aug. 31, 2022, most of which is allocated to restricted capital projects. Expenditures exceeded revenues by \$1.3 billion. Some project expenditures are funded by revenues collected in prior years rather than current year revenues.

### TxDOT Governmental Fund Balances, All Funds (Amounts in Thousands)



### TxDOT Governmental Fund Revenues by Source (Amounts in Thousands)





### State Highway Fund

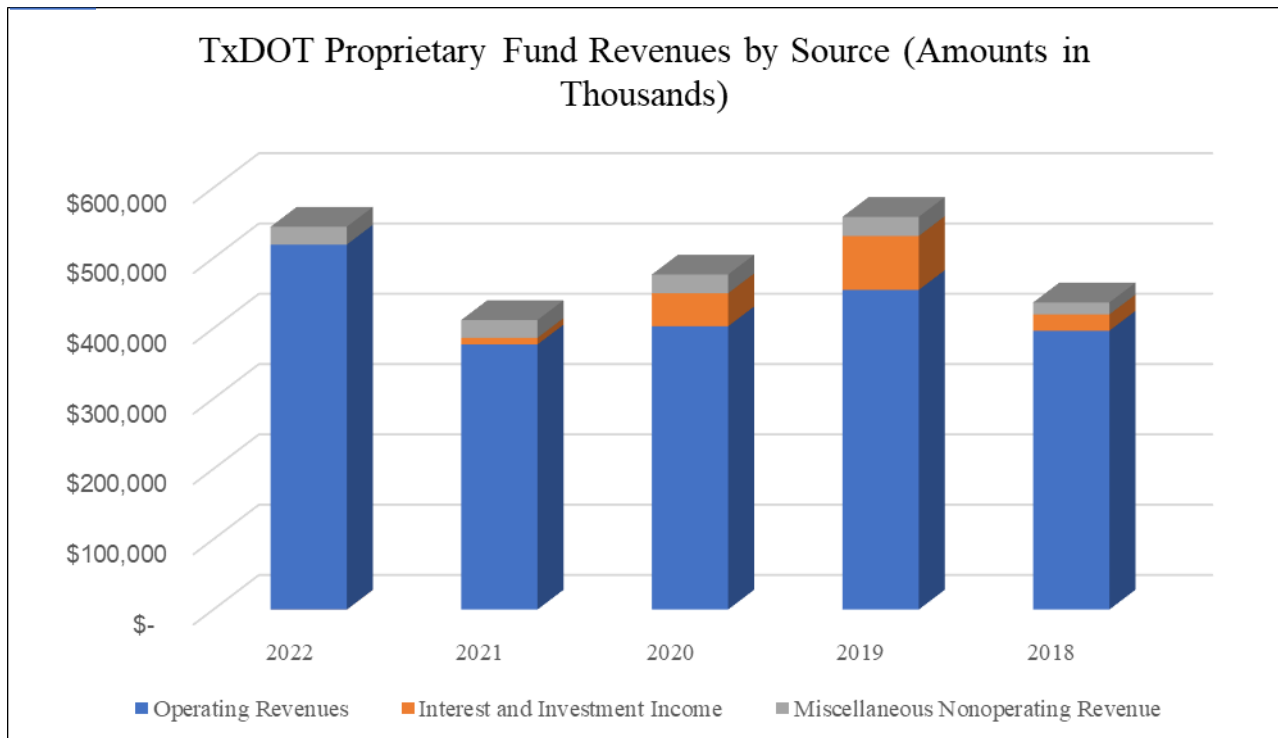
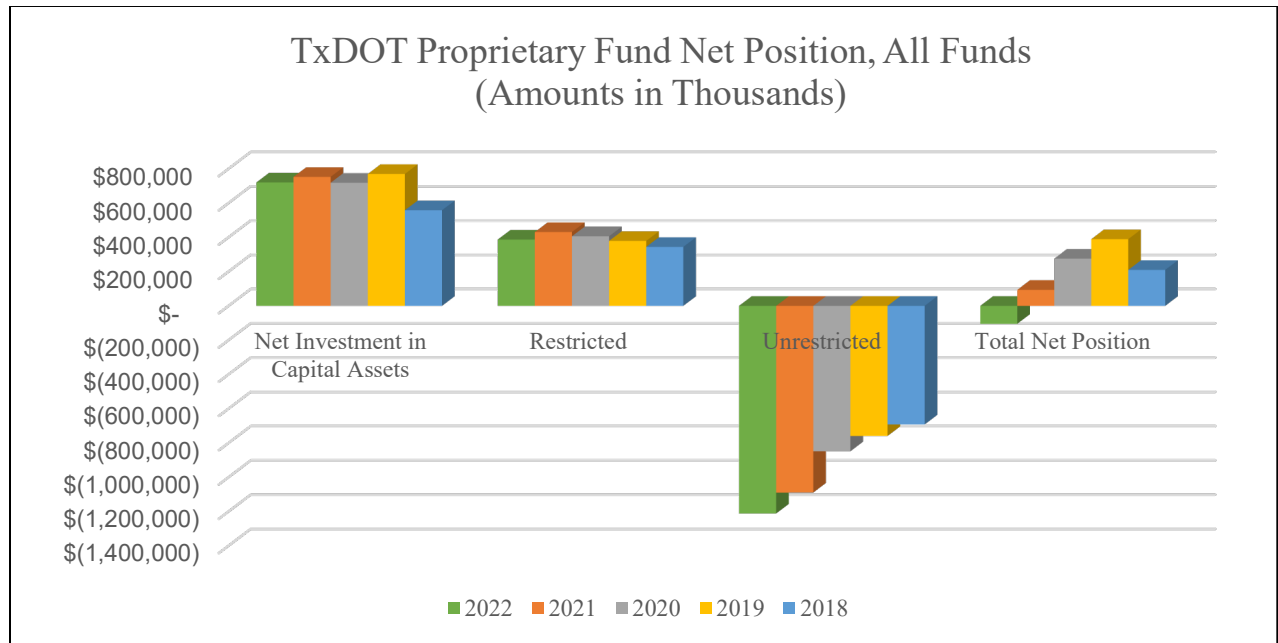
The State Highway Fund is TxDOT's main operating fund. Overall, the fund balance for the State Highway Fund on Aug. 31, 2022, was \$8.8 billion. Total revenues decreased by \$180.7 million, or 1.5 percent, to \$12.0 billion in fiscal 2022. 97.7 percent of the total revenue included \$7.3 billion of taxes and \$4.5 billion of federal revenue. \$7.9 billion capital outlay expenditures contributed to 62.9 percent of overall SHF's expenditures in fiscal 2022. Changes in fund balance was \$765.2 million in fiscal 2022, an increase of \$190.0 million from fiscal 2021. The Fund balance increased due to a tax revenue increase of \$529.0 million, primarily due to increased oil and natural gas tax and, motor vehicle sales and use tax collections during fiscal 2022. In addition, transportation expenditures increased by \$1.1 billion due to an increase in maintenance contracts during fiscal 2022. The increase was offset with a decrease in active construction contracts, and capital outlay decreased by \$1.1 billion in fiscal 2022 as a result.

### Texas Mobility Fund

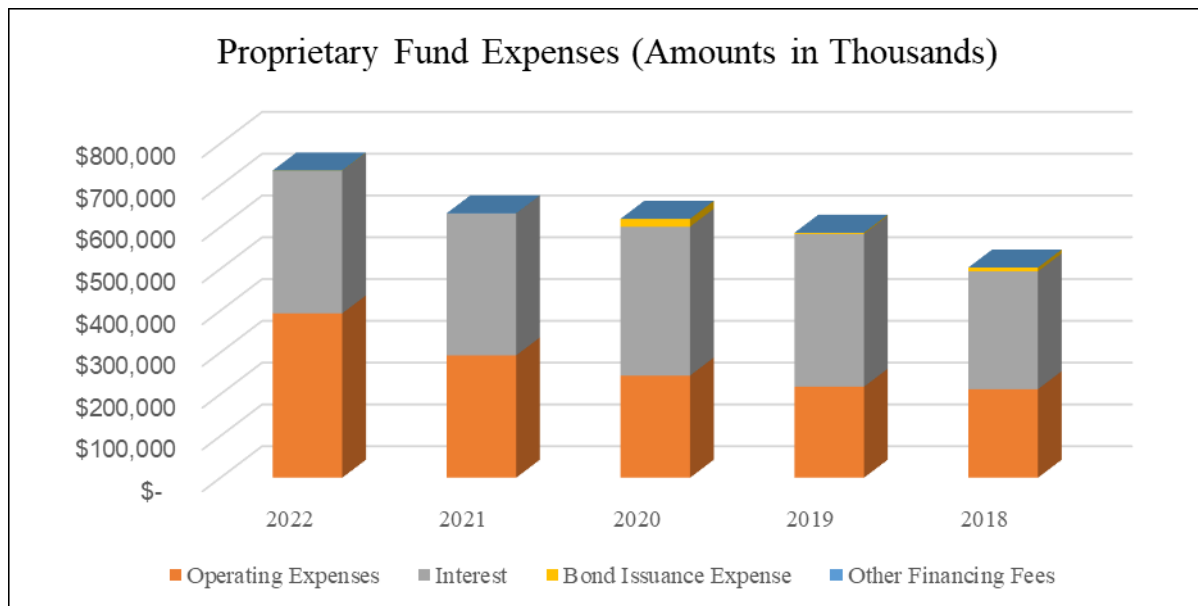
The Texas Mobility Fund operates as a revolving fund to provide a method of financing construction, reconstruction, acquisition and expansion of state highways and other transportation projects. The fund balance for the Texas Mobility Fund on Aug. 31, 2022 was 461.6 million, an increase of \$72.3 million or 18.6 percent, from \$389.3 million on Aug. 31, 2021. Change in fund balance was \$72.3 million in fiscal 2022 compared to \$68.2 million in fiscal 2021, a 6.0 percent increase over the fiscal year. Due to the decrease in construction project expenditures receiving mobility fund dollars, capital outlay expenditures decreased by \$66.3 million or 59.2 percent. A total of \$394.4 million of revenues were collected for the fund. The major revenue sources were licenses, fees, and permits, which accounted for \$370.4 million or 93.9 percent of total fund's revenue.

## Proprietary Funds

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. TxDOT has three major proprietary funds, Central Texas Turnpike System, Grand Parkway Transportation Corporation and SH 249 System. An overview of the financial information of these funds is presented below.







#### Toll Backoffice System

On Nov. 17, 2020, TxDOT began transition activities from Conduent’s Vector Back Office System to the new TxDOT Back Office System. This transition has required interruptions to customer service activities including delayed reconciliation of electronic toll collections (“ETC”) transactions through the new TxDOT Back Office System, statement processing, pay by mail (“PBM”) billing and escalations of past due transactions. All delays in the reconciliation of transactions attributable to the transition have been substantially resolved. A portion of the revenues relating to the PBM toll transactions that occurred on the System during fiscal 2022 may not be recognized due to certain limitations relating to the transition to the new TxDOT Back Office System.

Citing continued challenges with an upgraded Back Office System delivered by the back-office services provider (IBM), TxDOT terminated its remaining contract with IBM in Aug. 2021, effective Nov. 29, 2021. TxDOT has obtained new interim technology providers to assist with stabilizing and improving TxDOT’s Back Office System to manage customer data and toll transactions. TxDOT is in the process of evaluating alternative service provider options that would assume responsibilities from the interim team.

#### Central Texas Turnpike System

The net position of CTTS was \$185.9 million as of Aug. 31, 2022, a decrease of \$87.5 million from fiscal 2021. CTTS’ operating revenues increased by \$74.7 million or 41.0 percent over fiscal 2021. The increase was due to increased toll revenue after the COVID-19 pandemic as well as the substantial resolution of billing issues related to implementation of the new back-office system. The total expense for CTTS in fiscal 2022 was \$346.9 million, compared to \$292.6 million in fiscal 2021. Depreciation and amortization combined with interest expenses contributed to \$182.1 million, which was 52.5 percent, of the total expense of CTTS.

#### Grand Parkway Transportation Corporation

GPTC reported a deficit net position of \$534.1 million in fiscal 2022, a decrease in net position of \$113.2 million over fiscal 2021. GPTC’s operating revenues in fiscal 2022 increased by \$57.1 million, or 30.1 percent over fiscal 2021. The increase was due to increase in toll transactions. In fiscal 2022, GPTC’s total expenses were \$347.1 million, which increased by \$44.8 million or 14.8 percent over fiscal 2021. The largest expense in fiscal 2022 was \$200.3 million of interest payments.

#### SH 249 System

SH 249 System started to receive toll revenue as the tollway opened to traffic in December 2021. During fiscal 2022, SH 249 System generated \$16.1 million in toll revenue, net of allowance for doubtful accounts. The total increase in net position of \$2.4 million is mainly due to \$3.7 million in Capital Contributions from Governmental Activities.

## Budget Highlights

### *Variances for the State Highway Fund*

The differences between the original and final revenue budgets are due to economic and legislative reasons. Budget mechanisms allow budget revisions for certain revenues when collections exceed the original budget. Accordingly, major revisions were made to both total revenues and expenditures for a net change of \$8.1 billion. There was a \$1.9 billion variance between the actual and final budget revenues. The \$2.3 billion tax variance between actual and final budget accounted for the majority of the revenue variance. The actual expenditures related to transportation were less than the final budget by \$4.9 billion which represents expenditures expected to be paid in future fiscal years. Construction strategies can be charged for up to four additional fiscal years and non-construction strategies can be charged for up to three additional fiscal years after the original appropriation year.

The budgetary comparison schedule in the Required Supplementary Information section and the Budget Schedule by Strategy in the Other Supplementary Information section presents comparisons of the legally adopted budget with actual data on a budgetary basis.

## Capital Assets and Debt Administration

### *Capital Assets*

TxDOT's capital assets are comprised of roads, bridges, buildings, land, equipment, and intangible capital assets. As of Aug. 31, 2022, TxDOT had \$137.6 billion in net capital assets, an \$7.1 billion or 5.4 percent increase over fiscal 2021. The increase was due to an increase in land, depreciable infrastructure and construction in progress of \$6.6 billion and \$300 million of buildings and building improvements in fiscal 2022. The total accumulated depreciation and amortization for TxDOT as of Aug. 31, 2022 was \$30.7 billion.

| <b>Capital Assets - Net of Depreciation and Amortization</b> |                                |                       |                                 |                     |                                 |                       |
|--|--------------------------------|-----------------------|---------------------------------|---------------------|---------------------------------|-----------------------|
| <b>August 31, 2022 and 2021 (Amounts in Thousands)</b>       |                                |                       |                                 |                     |                                 |                       |
|  | <b>Governmental Activities</b> |                       | <b>Business-Type Activities</b> |                     | <b>Total Primary Government</b> |                       |
|  | <b>2022</b>                    | <b>2021</b>           | <b>2022</b>                     | <b>2021</b>         | <b>2022</b>                     | <b>2021</b>           |
| Land and Land Improvements                                   | \$ 17,981,575                  | \$ 16,840,635         | \$ 726,129                      | \$ 726,100          | \$ 18,707,704                   | \$ 17,566,735         |
| Infrastructure - Depreciable                                 | 92,580,384                     | 87,784,026            | 1,970,285                       | 1,867,962           | 94,550,669                      | 89,651,988            |
| Construction in Progress                                     | 22,693,856                     | 21,965,776            | 253,495                         | 402,151             | 22,947,351                      | 22,367,927            |
| Buildings and Building Improvements                          | 647,859                        | 304,223               | 2,437                           | 2,799               | 650,296                         | 307,022               |
| Furniture and Equipment                                      | 73,398                         | 67,511                |                                 |                     | 73,398                          | 67,511                |
| Vehicles, Boats and Aircraft                                 | 352,068                        | 386,474               |                                 |                     | 352,068                         | 386,474               |
| Other Capital Assets   | 4,738                          | 5,279                 |                                 |                     | 4,738                           | 5,279                 |
| Land Use Rights - Permanent                                  | 88,792                         | 87,105                | 19,466                          | 19,466              | 108,258                         | 106,571               |
| Land Use Rights - Term                                       | 222                            | 600                   |                                 |                     | 222                             | 600                   |
| Computer Software  | 134,052                        | 10,837                | 39,999                          | 53,417              | 174,051                         | 64,254                |
| Buildings and Building Improvements (RTU)                    | 21,311                         |                       |                                 |                     | 21,311                          | 0                     |
| Land Use Rights - Permanent (RTU)                            | 1,866                          |                       |                                 |                     | 1,866                           | 0                     |
| Furniture and Equipment (RTU)                                | 5,521                          |                       |                                 |                     | 5,521                           | 0                     |
|  | <u>\$ 134,585,642</u>          | <u>\$ 127,452,466</u> | <u>\$ 3,011,811</u>             | <u>\$ 3,071,895</u> | <u>\$ 137,597,453</u>           | <u>\$ 130,524,361</u> |

TxDOT uses the composite approach for reporting the state's infrastructure and bridges. The composite approach is a method for calculating depreciation of a grouping of dissimilar assets of the same class (all the roads and bridges of the state) using the same depreciation rate. The composite depreciation rate for 2022 is 2.5 percent based on a 40-year weighted average life expectancy of the assets in service.

To ensure future availability of essential services and to finance capital improvements, TxDOT made commitments for construction contracts, comprehensive development agreements and pass-through toll agreements totaling an estimated \$19.3 billion. These commitments extend beyond the end of the fiscal year and represent future costs to TxDOT. Note 2 provides detail about TxDOT's capital assets activity and Note 15 details TxDOT's significant commitments related to future capital expenditures.

## Debt Administration

The Commission, on behalf of TxDOT, issues both general obligation bonds and revenue bonds. Each series of revenue bonds is backed by pledged revenues and restricted assets specified in the individual bond resolutions. Note 5 discloses details on TxDOT's long-term liabilities and Note 6 provides detail information on TxDOT's bonded indebtedness.

### Outstanding Bonded Debt

As of August 31, 2022 (Amount in Thousands)

|                                  | Governmental Activities |               | Business-Type Activities |              |
|----------------------------------|-------------------------|---------------|--------------------------|--------------|
|                                  | 2022                    | 2021          | 2022                     | 2021         |
| General Obligation Bonds Payable | \$ 9,707,449            | \$ 10,048,173 | \$                       | \$           |
| Revenue Bonds Payable            | 3,352,822               | 3,649,875     | 7,484,376                | 7,504,914    |
| Total Bonds Payable              | \$ 13,060,271           | \$ 13,698,048 | \$ 7,484,376             | \$ 7,504,914 |

## Bond Credit Ratings

The outstanding bonds of the Commission and GPTC were rated by the major nationally recognized statistical rating organizations. As of Aug. 31, 2022, the bonds carried the following ratings.

### Long-Term Credit Ratings as of August 31, 2022

|   | Fitch | Moody's | Standard & Poor's | Kroll |
|---|-------|---------|-------------------|-------|
| <b>Governmental Activities</b>                  |       |         |                   |       |
| General Obligation Bonds                        |       |         |                   |       |
| TMF 2009-A, 2014, 2014-A,B, 2015-A, B, 2017-A,B | AAA   | Aaa     | AAA               | AAA   |
| TMF 2020  | AAA   | Aaa     | n/a               | AAA   |
| HIGO 2010-A, 2014, 2016, 2016-A, 2019           | AAA   | Aaa     | AAA               | AAA   |
| HIGO 2020                                       | AAA   | Aaa     | n/a               | AAA   |
| Revenue Bonds                                   |       |         |                   |       |
| SHF 2008, 2010, 2014-A, 2015, 2016-A,B, 2020    | n/a   | Aaa     | AAA               | n/a   |
| <b>Business-Type Activities</b>                 |       |         |                   |       |
| Revenue Bonds                                   |       |         |                   |       |
| CTTS 2002-A, 2012-A, 2015-B, 2020-A,B,C         | A+    | A3      | A                 | n/a   |
| CTTS 2015-C                                     | A-    | Baa1    | A-                | n/a   |
| GPTC 2013-A                                     | A+    | n/a     | BBB+              | n/a   |
| GPTC 2013-B,E, 2018-A,B                         | AA    | n/a     | AA+               | n/a   |
| GPTC 2016                                       | n/a   | n/a     | AA+               | n/a   |
| GPTC 2020-A,C                                   | A+    | A2      | n/a               | n/a   |
| GPTC 2020-B                                     | AA    | Aa1     | n/a               | n/a   |
| SH 249 2019-A,B                                 | n/a   | Baa3    | n/a               | n/a   |

Short-term ratings are usually reliant upon the supporting liquidity facility and its strength. The following variable rate demand bonds carried short-term credit ratings as of Aug. 31, 2022.

| <b>Short-Term Credit Ratings as of August 31, 2022</b> |              |                |                              |              |
|--|--------------|----------------|------------------------------|--------------|
| <b>Governmental Activities</b>                         | <b>Fitch</b> | <b>Moody's</b> | <b>Standard &amp; Poor's</b> | <b>Kroll</b> |
| <b>General Obligation Bonds</b>                        |              |                |                              |              |
| TMF Series 2006-B Variable Rate Interest Bonds         | F1+          | VMIG 1         | n/a                          | n/a          |
| <b>Revenue Bonds</b>                                   |              |                |                              |              |
| SHF Series 2014-B1 Variable Rate Interest Bonds        | n/a          | VMIG 1         | A-1                          | n/a          |

An explanation of the significance of such ratings may be obtained from the company furnishing the rating. The ratings reflect only the respective views of such organizations, and the Commission makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period or that they will not be revised downward or withdrawn entirely by any or all of such rating companies, if in the judgment of any or all companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the bonds.

### **Economic Condition**

The current economic environment presents government entities, including state transportation departments, continued challenges. The inflation rate at the end of August 2022 was 8.3 percent, the highest rate since 1982. The U.S. Economy entered a recession at the end of the summer with Consumer confidence dropping since that time. On a positive note, the unemployment rate in Texas has decreased during the year. During the previous five fiscal years, 2018-2022, 3,983 highway and bridge construction projects estimated at \$32.1 billion were let/awarded for \$31.7 billion. In addition, TxDOT awarded two design build contracts totaling \$2.2 billion in fiscal 2022.

### **Contacting TxDOT's Financial Management**

This financial report is designed to provide a general overview of the TxDOT's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the TxDOT Financial Management Division at the following address:

Texas Department of Transportation  
Financial Management Division – Accounting Section  
125 East 11<sup>th</sup> Street  
Austin, Texas 78701-2483

## SECTION TWO (CONTINUED)

# BASIC FINANCIAL STATEMENTS

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**Texas Department of Transportation**  
**Statement of Net Position**  
August 31, 2022 (Amounts in Thousands)

|  | Primary Government         |                             |               |
|--|----------------------------|-----------------------------|---------------|
|  | Governmental<br>Activities | Business-Type<br>Activities | Total         |
| <b>ASSETS</b>                                  |                            |                             |               |
| Current Assets:                                |                            |                             |               |
| Cash and Cash Equivalents                      | \$ 9,973,568               | \$ 173,103                  | \$ 10,146,671 |
| Short-Term Investments                         | 28,378                     |                             | 28,378        |
| Restricted:                                    |                            |                             |               |
| Cash and Cash Equivalents                      | 15,517                     | 1,138,374                   | 1,153,891     |
| Legislative Appropriations                     | 13,869                     |                             | 13,869        |
| Due from Other Agencies (Note 11)              | 3,897,948                  |                             | 3,897,948     |
| Receivable:                                    |                            |                             |               |
| Taxes  | 229,735                    |                             | 229,735       |
| Federal  | 587,039                    |                             | 587,039       |
| Interest and Dividends                         | 5,353                      | 682                         | 6,035         |
| Accounts Receivable                            | 76,497                     | 84,904                      | 161,401       |
| Other Intergovernmental                        | 184,808                    |                             | 184,808       |
| Leases (Note 7)                                | 340                        |                             | 340           |
| Loans and Contracts                            | 101,822                    |                             | 101,822       |
| Consumable Inventory                           | 144,050                    | 698                         | 144,748       |
| Total Current Assets                           | 15,258,924                 | 1,397,761                   | 16,656,685    |
| Noncurrent Assets:                             |                            |                             |               |
| Restricted:                                    |                            |                             |               |
| Investments                                    |                            | 58,709                      | 58,709        |
| Loans and Contracts                            | 213,002                    |                             | 213,002       |
| Investments                                    | 41,743                     | 286,639                     | 328,382       |
| Receivable:                                    |                            |                             |               |
| Leases (Note 7)                                | 1,132                      |                             | 1,132         |
| Service Concession Intangible Assets (Note 20) |                            | 3,226,308                   | 3,226,308     |
| Capital Assets:                                |                            |                             |               |
| Non-Depreciable Capital Assets (Note 2)        | 40,764,223                 | 999,090                     | 41,763,313    |
| Depreciable Capital Assets, Net (Note 2)       | 93,821,419                 | 2,012,721                   | 95,834,140    |
| Total Noncurrent Assets                        | 134,841,519                | 6,583,467                   | 141,424,986   |
| Total Assets                                   | 150,100,443                | 7,981,228                   | 158,081,671   |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>          |                            |                             |               |
| Loss on Bond Refunding (Note 21)               | 181,675                    | 194,705                     | 376,380       |
| Pensions (Note 8, 21)                          | 482,539                    |                             | 482,539       |
| Other Postemployment Benefits (Note 10, 21)    | 448,570                    |                             | 448,570       |
| Total Deferred Outflows of Resources           | 1,112,784                  | 194,705                     | 1,307,489     |

Continued on the following page

**Texas Department of Transportation Concluded  
Statement of Net Position**

August 31, 2022 (Amounts in Thousands)

|   | Primary Government         |                             |                |
|---|----------------------------|-----------------------------|----------------|
|   | Governmental<br>Activities | Business-Type<br>Activities | Total          |
| <b>LIABILITIES</b>                            |                            |                             |                |
| Current Liabilities:                          |                            |                             |                |
| Payables:                                     |                            |                             |                |
| Accounts                                      | 1,587,533                  | 57,019                      | 1,644,552      |
| Payroll                                       | 90,841                     |                             | 90,841         |
| Interest                                      | 215,877                    | 77,588                      | 293,465        |
| Contract Retainage                            | 72,367                     | 9,445                       | 81,812         |
| Deposits                                      | 39,485                     |                             | 39,485         |
| Internal Balances (Note 11)                   | 11,596                     | (11,596)                    | 0              |
| Due to Other Agencies (Note 11)               | 3,599                      |                             | 3,599          |
| Unearned Revenues                             | 453,484                    | 22,960                      | 476,444        |
| Employees' Compensable Leave (Note 5)         | 83,470                     |                             | 83,470         |
| Notes and Loans Payable (Note 5)              | 159,391                    | 615,862                     | 775,253        |
| General Obligation Bonds Payable (Note 5)     | 353,535                    |                             | 353,535        |
| Revenue Bonds Payable (Note 5)                | 301,002                    | 93,222                      | 394,224        |
| Pollution Remediation Obligation (Note 5)     | 8,216                      |                             | 8,216          |
| Net OPEB Liability (Note 10)                  | 70,887                     |                             | 70,887         |
| Right-to-Use Lease Obligations (Note 5, 7)    | 2,860                      |                             | 2,860          |
| Total Current Liabilities                     | 3,454,143                  | 864,500                     | 4,318,643      |
| Noncurrent Liabilities:                       |                            |                             |                |
| Employees' Compensable Leave (Note 5)         | 30,947                     |                             | 30,947         |
| Notes and Loans Payable (Note 5)              | 1,029,326                  |                             | 1,029,326      |
| General Obligation Bonds Payable (Note 5)     | 9,353,914                  |                             | 9,353,914      |
| Revenue Bonds Payable (Note 5)                | 3,051,820                  | 7,391,154                   | 10,442,974     |
| Net Pension Liability (Note 8)                | 1,063,637                  |                             | 1,063,637      |
| Net OPEB Liability (Note 10)                  | 2,563,163                  |                             | 2,563,163      |
| Right-to-Use Lease Obligations (Note 5, 7)    | 25,811                     |                             | 25,811         |
| Total Noncurrent Liabilities                  | 17,118,618                 | 7,391,154                   | 24,509,772     |
| Total Liabilities                             | 20,572,761                 | 8,255,654                   | 28,828,415     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>          |                            |                             |                |
| Service Concession Arrangements (Note 20, 21) | 12,764,581                 |                             | 12,764,581     |
| Gain on Bond Refunding (Note 21)              | 30,773                     | 25,067                      | 55,840         |
| Pensions (Note 8, 21)                         | 1,992,616                  |                             | 1,992,616      |
| Other Postemployment Benefits (Note 10, 21)   | 357,984                    |                             | 357,984        |
| Leases (Note 7, 21)                           | 4,159                      |                             | 4,159          |
| Total Deferred Inflows of Resources           | 15,150,113                 | 25,067                      | 15,175,180     |
| <b>NET POSITION</b>                           |                            |                             |                |
| Net Investment in Capital Assets              | 109,237,358                | 720,225                     | 109,957,583    |
| Restricted for:                               |                            |                             |                |
| Transportation - Construction                 | 10,919,555                 | 6,817                       | 10,926,372     |
| Transportation - Operations and Maintenance   | 11,260                     | 105,335                     | 116,595        |
| Debt Service                                  | 222,533                    | 274,533                     | 497,066        |
| Unrestricted                                  | (4,900,353)                | (1,211,698)                 | (6,112,051)    |
| Total Net Position                            | \$ 115,490,353             | \$ (104,788)                | \$ 115,385,565 |

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

**Texas Department of Transportation**  
**Statement of Activities**  
For the Fiscal Year Ended August 31, 2022  
(Amounts in Thousands)

|                                |                     | <b>PROGRAM REVENUES</b>     |   |   |
|--------------------------------|---------------------|-----------------------------|---|---|
| <b>Functions</b>               | <b>Expenses</b>     | <b>Charges for Services</b> | <b>Operating Grants and Contributions</b> | <b>Capital Grants and Contributions</b> |
| Primary Government             |                     |                             |   |   |
| Governmental Activities:       |                     |                             |   |   |
| Transportation                 | \$ 6,893,610        | \$ 1,094,551                | 4,714,863                                 | \$ 58,860                               |
| Total Governmental Activities  | <u>6,893,610</u>    | <u>1,094,551</u>            | <u>4,714,863</u>                          | <u>58,860</u>                           |
| Business-Type Activities:      |                     |                             |   |   |
| Transportation                 | 710,006             | 519,230                     | (11,362)                                  | 0                                       |
| Total Business-Type Activities | <u>710,006</u>      | <u>519,230</u>              | <u>(11,362)</u>                           | <u>0</u>                                |
| Total Primary Government       | <u>\$ 7,603,616</u> | <u>\$ 1,613,781</u>         | <u>4,703,501</u>                          | <u>\$ 58,860</u>                        |

General Revenues:  
    Legislative Appropriations  
    Motor Fuel Tax  
    Lubricant Sales Tax  
    Oil and Natural Gas Production Tax  
    Unrestricted Investment Earnings  
    Settlement of Claims  
    Motor Vehicle & Mfg Housing  
    Other Revenues  
Transfers – Internal Activities (Note 11)  
Transfers – Other State Agencies  
    Total General Revenues and Transfers  
    Changes in Net Position

Net Position, September 1, 2021  
Restatements (Note 14)  
Net Position, September 1, 2021, As Restated  
Net Position, August 31, 2022

Continued on the following page

**Texas Department of Transportation (Concluded)****Statement of Activities**

For the Fiscal Year Ended August 31, 2022

(Amounts in Thousands)

**NET (EXPENSE) REVENUE  
AND CHANGES IN NET POSITION**

| <b>Governmental<br/>Activities</b> | <b>Business-<br/>Type<br/>Activities</b> | <b>Total</b>   |
|------------------------------------|--|----------------|
| \$ (1,025,336)                     | \$                                       | \$ (1,025,336) |
| (1,025,336)                        | 0  | (1,025,336)    |
|                                    | (202,138)                                | (202,138)      |
| 0                                  | (202,138)                                | (202,138)      |
| (1,025,336)                        | (202,138)                                | (1,227,474)    |
| 1,484                              |  | 1,484          |
| 2,788,699                          |  | 2,788,699      |
| 2,537,500                          |  | 2,537,500      |
| 3,637,494                          |  | 3,637,494      |
| 60,106                             |  | 60,106         |
| 36,949                             |  | 36,949         |
| 489,204                            |  | 489,204        |
| 2,576                              |  | 2,576          |
| (3,870)                            | 3,870                                    | 0              |
| 1,960,028                          |  | 1,960,028      |
| 11,510,170                         | 3,870                                    | 11,514,040     |
| 10,484,834                         | (198,268)                                | 10,286,566     |
| 105,007,783                        | 93,480                                   | 105,101,263    |
| (2,264)                            | 0  | (2,264)        |
| 105,005,519                        | 93,480                                   | 105,098,999    |
| \$ 115,490,353                     | \$ (104,788)                             | \$ 115,385,565 |

**Texas Department of Transportation**  
**Balance Sheet - Governmental Funds**  
August 31, 2022 (Amounts in Thousands)

|                                   | <b>State<br/>Highway<br/>Fund</b> | <b>Texas<br/>Mobility<br/>Fund</b> | <b>Nonmajor<br/>Funds</b> | <b>Total</b>         |
|-----------------------------------|-----------------------------------|------------------------------------|---------------------------|----------------------|
| <b>ASSETS</b>                     |                                   |                                    |                           |                      |
| Cash and Cash Equivalents:        |                                   |                                    |                           |                      |
| Cash on Hand                      | \$ 683                            | \$                                 | \$ 5,263                  | \$ 5,946             |
| Cash in Bank                      | 935                               |                                    |                           | 935                  |
| Cash in State Treasury            | 8,826,934                         | 459,643                            | 614,426                   | 9,901,003            |
| Cash Equivalents                  | 65,684                            |                                    |                           | 65,684               |
| Short-Term Investments            | 28,378                            |                                    |                           | 28,378               |
| Legislative Appropriations        |                                   |                                    | 13,869                    | 13,869               |
| Receivables:                      |                                   |                                    |                           |                      |
| Taxes                             | 229,735                           |                                    |                           | 229,735              |
| Federal                           | 479,212                           | 22,240                             | 85,587                    | 587,039              |
| Other Intergovernmental           | 182,808                           |                                    | 2,000                     | 184,808              |
| Interest and Dividends            | 5,353                             |                                    |                           | 5,353                |
| Accounts Receivable               | 76,497                            |                                    |                           | 76,497               |
| Leases                            | 1,472                             |                                    |                           | 1,472                |
| Due from Other Funds (Note 11)    | 75,380                            |                                    | 12,960                    | 88,340               |
| Due from Other Agencies (Note 11) | 3,872,867                         |                                    | 25,081                    | 3,897,948            |
| Consumable Inventories            | 144,050                           |                                    |                           | 144,050              |
| Investments                       | 41,743                            |                                    |                           | 41,743               |
| Loans and Contracts (Note 4)      | 314,824                           |                                    |                           | 314,824              |
| Restricted:                       |                                   |                                    |                           |                      |
| Cash Equivalents                  | 15,517                            |                                    |                           | 15,517               |
| Total Assets                      | <u>\$ 14,362,072</u>              | <u>\$ 481,883</u>                  | <u>\$ 759,186</u>         | <u>\$ 15,603,141</u> |



**Balance Sheet - Governmental Funds**  
August 31, 2022 (Amounts in Thousands)

|  | <b>State<br/>Highway<br/>Fund</b> | <b>Texas<br/>Mobility<br/>Fund</b> | <b>Nonmajor<br/>Funds</b> | <b>Total</b>         |
|--|-----------------------------------|------------------------------------|---------------------------|----------------------|
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES, AND FUND BALANCES</b> |                                   |                                    |                           |                      |
| Liabilities:   |                                   |                                    |                           |                      |
| Payables:  |                                   |                                    |                           |                      |
| Accounts   | 1,496,969                         | 19,944                             | 70,620                    | 1,587,533            |
| Payroll  | 90,412                            |                                    | 429                       | 90,841               |
| Contract Retainage   | 71,080                            |                                    | 1,287                     | 72,367               |
| Deposits   | 39,485                            |                                    |                           | 39,485               |
| Due to Other Funds (Note 11)   | 62,960                            | 370                                | 36,606                    | 99,936               |
| Due to Other Agencies (Note 11)  | 3,599                             |                                    |                           | 3,599                |
| Unearned Revenues  | 1,613                             |                                    | 451,871                   | 453,484              |
| Total Liabilities  | <u>1,766,118</u>                  | <u>20,314</u>                      | <u>560,813</u>            | <u>2,347,245</u>     |
| Deferred Inflows of Resources:   |                                   |                                    |                           |                      |
| Unavailable Revenue (Note 21)  | 3,795,392                         |                                    | 15,011                    | 3,810,403            |
| Leases (Note 7, 21)  | 4,159                             |                                    |                           | 4,159                |
| Total Deferred Inflows of Resources                                      | <u>3,799,551</u>                  | <u>0</u>                           | <u>15,011</u>             | <u>3,814,562</u>     |
| Fund Balances:   |                                   |                                    |                           |                      |
| Nonspendable (Note 13)   | 144,050                           |                                    |                           | 144,050              |
| Restricted (Note 13)   | 7,097,396                         | 261,936                            | 177,302                   | 7,536,634            |
| Committed (Note 13)  | 631,840                           | 199,633                            | 5,809                     | 837,282              |
| Assigned (Note 13)   | 923,117                           |                                    | 13,703                    | 936,820              |
| Unassigned (Note 13)   |                                   |                                    | (13,452)                  | (13,452)             |
| Total Fund Balances  | <u>8,796,403</u>                  | <u>461,569</u>                     | <u>183,362</u>            | <u>9,441,334</u>     |
| Total Liabilities, Deferred Inflows of<br>Resources, and Fund Balances   | <u>\$ 14,362,072</u>              | <u>\$ 481,883</u>                  | <u>\$ 759,186</u>         | <u>\$ 15,603,141</u> |

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

**Texas Department of Transportation**  
**Reconciliation of the Governmental Funds Balance Sheet to**  
**the Statement of Net Position**

August 31, 2022 (Amounts in Thousands)

**Total Fund Balance - Governmental Funds** **\$ 9,441,334**

Amounts reported for governmental activities in the Statement of Net Position  
are different because:

Capital assets less accumulated depreciation and amortization are included in the  
Statement of Net Position (Note 2).

|   |                   |             |
|---|-------------------|-------------|
| Capital Assets - Non-Depreciable or Non-Amortizable | \$ 40,764,223     |             |
| Capital Assets - Depreciable or Amortizable, Net    | <u>93,821,419</u> |             |
|   |                   | 134,585,642 |

|  |  |           |
|--|--|-----------|
| Deferred inflows of resources were reported in the funds related to revenues that were<br>not available soon enough after year-end to pay current year's expenditures (Note 21). |  | 3,810,403 |
|--|--|-----------|

|  |  |              |
|--|--|--------------|
| Deferred inflows of resources were reported in the Statement of Net Position to reflect the<br>unamortized up-front payments received and capital improvements under Service Concession<br>Arrangements, gain on bond refundings, and the impact of pension and other postemployment<br>benefit adjustments (Note 21). |  | (15,145,954) |
|--|--|--------------|

|   |  |           |
|---|--|-----------|
| Deferred outflows of resources were reported in the Statement of Net Position to reflect the loss on<br>bond refundings and the impact of pension and other postemployment benefit adjustments (Note 21). |  | 1,112,784 |
|---|--|-----------|

Long-term liabilities applicable to TxDOT's governmental activities are  
not due and payable in the current period and accordingly are not reported in  
the funds. These liabilities, however, are included in the Statement  
of Net Position. (Note 5, 7, 8, 10)

|                                   |                    |                |
|-----------------------------------|--------------------|----------------|
| Employees' Compensable Leave      | (114,417)          |                |
| Notes and Loans Payable**         | (1,188,717)        |                |
| General Obligation Bonds Payable  | (9,707,449)        |                |
| Revenue Bonds Payable             | (3,352,822)        |                |
| Pollution Remediation Obligations | (8,216)            |                |
| Net Pension Liability             | (1,063,637)        |                |
| Right-to-Use Lease Obligations    | (28,671)           |                |
| Net OPEB Liabilities              | <u>(2,634,050)</u> |                |
|                                   |                    | (18,097,979) * |

\* Current portion \$979,361 and noncurrent portion \$17,118,618

\*\*Pass-Through Tolls Payable \$528,885, Contracts Payable \$24,000,  
TIFIA Loan Payable \$323,295 and TPFA Note Payable \$312,537

|  |  |                  |
|--|--|------------------|
| Interest payable applicable to TxDOT's governmental activities is not due<br>and payable in the current period and accordingly is not reported in the funds.<br>These liabilities, however, are included in the Statement of Net Position. |  | <u>(215,877)</u> |
|--|--|------------------|

|  |  |                              |
|--|--|------------------------------|
| <b>Net Position of Governmental Activities</b> |  | <b><u>\$ 115,490,353</u></b> |
|--|--|------------------------------|

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**Texas Department of Transportation**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balances - Governmental Funds**

For the Fiscal Year Ended August 31, 2022 (Amounts in Thousands)

|  | <b>State<br/>Highway Fund</b> | <b>Texas Mobility<br/>Fund</b> | <b>Nonmajor<br/>Funds</b> | <b>Total</b>        |
|--|-------------------------------|--------------------------------|---------------------------|---------------------|
| <b>REVENUES</b>  |                               |                                |                           |                     |
| Legislative Appropriations                                   | \$                            | \$                             | \$ 1,484                  | \$ 1,484            |
| Taxes  | 7,272,662                     |                                |                           | 7,272,662           |
| Federal Revenues   | 4,429,060                     | 22,240                         | 216,794                   | 4,668,094           |
| Federal Pass-Through Revenues                                | 25,591                        |                                |                           | 25,591              |
| State Grant Pass-Through Revenues                            | 24,996                        |                                |                           | 24,996              |
| Licenses, Fees and Permits                                   | 118,020                       | 370,365                        | 211                       | 488,596             |
| Interest & Investment Income                                 | 57,622                        | 1,737                          | 765                       | 60,124              |
| Net (Decrease) Fair Value                                    | (3,223)                       |                                |                           | (3,223)             |
| Land Income  | 30,446                        |                                |                           | 30,446              |
| Settlement of Claims   | 36,949                        |                                |                           | 36,949              |
| Sales of Goods and Services                                  | 15,177                        |                                | 165,985                   | 181,162             |
| Other Revenues   | 1,727                         | 20                             |                           | 1,747               |
| Total Revenues   | <u>12,009,027</u>             | <u>394,362</u>                 | <u>385,239</u>            | <u>12,788,628</u>   |
| <b>EXPENDITURES</b>  |                               |                                |                           |                     |
| Transportation   | 4,575,059                     | 12,142                         | 150,430                   | 4,737,631           |
| Capital Outlay   | 7,920,975                     | 45,609                         | 216,859                   | 8,183,443           |
| Debt Service:  |                               |                                |                           |                     |
| Principal  | 87,433                        | 141,710                        | 398,235                   | 627,378             |
| Interest   | 7,605                         | 236,699                        | 302,057                   | 546,361             |
| Other Financing Fees   | 1,521                         | 924                            |                           | 2,445               |
| Total Expenditures   | <u>12,592,593</u>             | <u>437,084</u>                 | <u>1,067,581</u>          | <u>14,097,258</u>   |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | <u>(583,566)</u>              | <u>(42,722)</u>                | <u>(682,342)</u>          | <u>(1,308,630)</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                               |                                |                           |                     |
| Transfers In (Note 11)                                       | 2,050,680                     | 115,027                        | 681,318                   | 2,847,025           |
| Transfers Out (Note 11)                                      | (721,739)                     |                                | (165,528)                 | (887,267)           |
| Increase in Obligations for Leases                           | 16,002                        |                                |                           | 16,002              |
| Sale of Capital Assets                                       | 3,833                         |                                | 2,758                     | 6,591               |
| Total Other Financing Sources (Uses)                         | <u>1,348,776</u>              | <u>115,027</u>                 | <u>518,548</u>            | <u>1,982,351</u>    |
| Net Change in Fund Balances                                  | <u>765,210</u>                | <u>72,305</u>                  | <u>(163,794)</u>          | <u>673,721</u>      |
| Fund Balances, September 1, 2021                             | 8,034,289                     | 389,264                        | 347,156                   | 8,770,709           |
| Restatements (Note 14)                                       | (3,096)                       |                                |                           | (3,096)             |
| Fund Balances, September 1, 2021 as Restated                 | <u>8,031,193</u>              | <u>389,264</u>                 | <u>347,156</u>            | <u>8,767,613</u>    |
| Fund Balances, August 31, 2022                               | <u>\$ 8,796,403</u>           | <u>\$ 461,569</u>              | <u>\$ 183,362</u>         | <u>\$ 9,441,334</u> |

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

**Texas Department of Transportation**  
**Reconciliation of the Governmental Funds Statement of Revenues,**  
**Expenditures and Changes in Fund Balances to the Statement of Activities**  
For the Fiscal Year Ended August 31, 2022 (Amounts in Thousands)

|   |    |                    |                          |
|---|----|--------------------|--------------------------|
| <b>Net Change in Fund Balances</b>  |    | <b>\$</b>          | <b>673,721</b>           |
| Governmental funds report capital outlays as expenditures. In the Statement of Activities, however, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which capital outlay exceeds depreciation in the current period is: |    |                    |                          |
| Capital Outlay  | \$ | 8,183,443          |                          |
| Depreciation and Amortization Expense (Note 2)  |    | <u>(2,395,351)</u> |                          |
|   |    |                    | 5,788,092                |
| The effect of various miscellaneous transactions involving capital assets and leases is an increase to net position.  |    |                    |                          |
| Donations of Capital Assets   |    | 58,860             |                          |
| (Loss) on Sale of Capital Assets  |    | (1,729)            |                          |
| (Loss) on Early Termination of Lease  |    | (1)                |                          |
| Sale of Capital Assets  |    | (6,591)            |                          |
| Increase In Obligations For Leases  |    | (16,002)           |                          |
| Interagency Transfers of Capital Assets   |    | <u>(3,599)</u>     |                          |
|   |    |                    | 30,938                   |
| Revenues that do not provide current financial resources are not reported in the governmental funds, but are reported in the Statement of Activities.   |    |                    |                          |
| Concession Revenues   |    | 351,986            |                          |
| OPEB-Related Grant Revenue  |    | 116                |                          |
| Federal Revenue   |    | 101                |                          |
| Local Revenue   |    | 42,361             |                          |
| Oil & Natural Gas Production Tax Revenue  |    | <u>2,180,234</u>   |                          |
|   |    |                    | 2,574,798                |
| Repayment of long-term debt consumes current financial resources and is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Position.   |    |                    |                          |
| Repayment of Bond and Note Principal  |    | 623,886            |                          |
| Payment of Debt Service Principal For Right-to-Use Leases   |    | 3,492              |                          |
| Net Change in Pollution Remediation Obligation  |    | 1,958              |                          |
| Net Change in Employees' Compensable Leave  |    | <u>(760)</u>       |                          |
|   |    |                    | 628,576                  |
| Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.   |    |                    |                          |
| Interest and Amortization Expense   |    | 88,022             |                          |
| Financing Fees  |    | (570)              |                          |
| Payroll Related Costs   |    | <u>701,257</u>     |                          |
|   |    |                    | 788,709                  |
| <b>Change in Net Position of Governmental Activities</b>  |    | <b>\$</b>          | <b><u>10,484,834</u></b> |

**Texas Department of Transportation**  
**Statement of Net Position - Proprietary Funds**

August 31, 2022 (Amounts in Thousands)

|  | <b>Business-Type Activities - Enterprise Funds</b> |   |                          |                  |
|--|--|---|--------------------------|------------------|
|  | <b>Central Texas<br/>Turnpike<br/>System</b>       | <b>Grand Parkway<br/>Transportation<br/>Corporation</b> | <b>SH 249<br/>System</b> | <b>Totals</b>    |
| <b>ASSETS</b>                                  |  |   |                          |                  |
| Current Assets:                                |  |   |                          |                  |
| Cash and Cash Equivalents:                     |  |   |                          |                  |
| Cash and Cash Equivalents                      | \$ 96,714  | \$ 59,502   | \$ 16,887                | \$ 173,103       |
| Restricted:                                    |  |   |                          |                  |
| Cash and Cash Equivalents                      | 385,290  | 736,265   | 16,819                   | 1,138,374        |
| Receivables:                                   |  |   |                          |                  |
| Accounts Receivable                            | 19,962   | 61,357  | 3,585                    | 84,904           |
| Interest and Dividends                         | 227  | 380   | 75                       | 682              |
| Due from Other Funds (Note 11)                 | 25,545   | 7,517   | 260                      | 33,322           |
| Consumable Inventory                           | 475  | 223   |                          | 698              |
| Total Current Assets                           | <u>528,213</u>                                     | <u>865,244</u>  | <u>37,626</u>            | <u>1,431,083</u> |
| Noncurrent Assets:                             |  |   |                          |                  |
| Restricted:                                    |  |   |                          |                  |
| Investments                                    | 37,454   |   | 21,255                   | 58,709           |
| Investments                                    | 46,535   | 235,167   | 4,937                    | 286,639          |
| Service Concession Intangible Assets (Note 20) |  | 3,226,308   |                          | 3,226,308        |
| Capital Assets:                                |  |   |                          |                  |
| Non-Depreciable Capital Assets (Note 2)        | 788,435  |   | 210,655                  | 999,090          |
| Depreciable Capital Assets, Net (Note 2)       | <u>1,766,425</u>                                   |   | <u>246,296</u>           | <u>2,012,721</u> |
| Total Noncurrent Assets                        | <u>2,638,849</u>                                   | <u>3,461,475</u>  | <u>483,143</u>           | <u>6,583,467</u> |
| Total Assets                                   | <u>3,167,062</u>                                   | <u>4,326,719</u>  | <u>520,769</u>           | <u>8,014,550</u> |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>          |  |   |                          |                  |
| Deferred Outflows of Resources                 |  |   |                          |                  |
| Loss on Bond Refunding (Note 21)               | <u>29,600</u>                                      | <u>165,105</u>  |                          | <u>194,705</u>   |
| Total Deferred Outflows of Resources           | <u>29,600</u>                                      | <u>165,105</u>  | <u>0</u>                 | <u>194,705</u>   |

Continued on the following page

**Texas Department of Transportation**  
**Statement of Net Position - Proprietary Funds**  
August 31, 2022 (Amounts in Thousands)

|   | <b>Business-Type Activities - Enterprise Funds</b> |   |                      |                     |
|---|--|---|----------------------|---------------------|
|   | <b>Central Texas<br/>Turnpike<br/>System</b>       | <b>Grand Parkway<br/>Transportation<br/>Corporation</b> | <b>SH 249 System</b> | <b>Totals</b>       |
| <b>LIABILITIES</b>                          |  |   |                      |                     |
| Current Liabilities:                        |  |   |                      |                     |
| Payables:                                   |  |   |                      |                     |
| Accounts                                    | 43,060   | 13,959  |                      | 57,019              |
| Interest                                    | 3,940  | 72,997  | 651                  | 77,588              |
| Contract Retainage                          |  | 9,445   |                      | 9,445               |
| Due to Other Funds (Note 11)                | 15,179   | 6,547   |                      | 21,726              |
| Unearned Revenues                           | 15,446   | 7,273   | 241                  | 22,960              |
| Notes and Loans Payable (Notes 5)           |  | 615,862   |                      | 615,862             |
| Revenue Bonds Payable (Notes 5, 6)          | 65,720   | 27,188  | 314                  | 93,222              |
| Total Current Liabilities                   | <u>143,345</u>                                     | <u>753,271</u>  | <u>1,206</u>         | <u>897,822</u>      |
| Noncurrent Liabilities:                     |  |   |                      |                     |
| Revenue Bonds Payable (Notes 5, 6)          | 2,842,300  | 4,272,626   | 276,228              | 7,391,154           |
| Total Noncurrent Liabilities                | <u>2,842,300</u>                                   | <u>4,272,626</u>  | <u>276,228</u>       | <u>7,391,154</u>    |
| Total Liabilities                           | <u>2,985,645</u>                                   | <u>5,025,897</u>  | <u>277,434</u>       | <u>8,288,976</u>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>        |  |   |                      |                     |
| Deferred Inflows of Resources               |  |   |                      |                     |
| Gain on Bond Refunding (Note 21)            | 25,067   |   |                      | 25,067              |
| Total Deferred Inflows of Resources         | <u>25,067</u>                                      | <u>0</u>  | <u>0</u>             | <u>25,067</u>       |
| <b>NET POSITION</b>                         |  |   |                      |                     |
| Net Investment in Capital Assets            | 465,225  |   | 255,000              | 720,225             |
| Restricted for:                             |  |   |                      |                     |
| Transportation - Construction               |  |   | 6,817                | 6,817               |
| Transportation - Operations and Maintenance | 37,277   | 68,058  |                      | 105,335             |
| Debt Service                                | 186,436  | 88,097  |                      | 274,533             |
| Unrestricted                                | (502,988)  | (690,228)   | (18,482)             | (1,211,698)         |
| Total Net Position                          | <u>\$ 185,950</u>                                  | <u>\$ (534,073)</u>                                     | <u>\$ 243,335</u>    | <u>\$ (104,788)</u> |

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



**Texas Department of Transportation**

**Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds**

For the Fiscal Year Ended August 31, 2022 (Amounts in Thousands)

|   | Business-Type Activities - Enterprise Funds |  |                   |                     |
|---|---|--|-------------------|---------------------|
|   | Central Texas<br>Turnpike<br>System         | Grand Parkway<br>Transportation<br>Corporation | SH 249<br>System  | Totals              |
| <b>OPERATING REVENUES</b>                         |   |  |                   |                     |
| Toll Revenue - Pledged                            | \$ 227,318                                  | \$ 255,047                                     | \$ 17,153         | \$ 499,518          |
| Discounts and Allowances                          | (14,182)                                    | (8,481)  | (1,028)           | (23,691)            |
| Fee Revenue - Pledged                             | 25,086                                      |  |                   | 25,086              |
| Other Sales Goods & Services-Pledged              | 18,302                                      |  |                   | 18,302              |
| Total Operating Revenues                          | <u>256,524</u>                              | <u>246,566</u>                                 | <u>16,125</u>     | <u>519,215</u>      |
| <b>OPERATING EXPENSES</b>                         |   |  |                   |                     |
| Salaries  | 2,934                                       | 3,639  |                   | 6,573               |
| Professional Fees and Services                    | 52,653                                      | 7,829  |                   | 60,482              |
| Travel  | 2   | 3  |                   | 5                   |
| Materials and Supplies                            | 2,474                                       | 793  |                   | 3,267               |
| Communication and Utilities                       | 816   | 210  |                   | 1,026               |
| Repairs and Maintenance                           | 22,385                                      | 11,009   |                   | 33,394              |
| Rentals and Leases                                | 1,762                                       | 2  |                   | 1,764               |
| Contracted Services                               | 55,224                                      | 134  |                   | 55,358              |
| Advertising                                       | 1,333                                       | 133  |                   | 1,466               |
| Settlements                                       | 13,542                                      |  |                   | 13,542              |
| Impairment Loss                                   | 2,553                                       |  |                   | 2,553               |
| Depreciation and Amortization                     | 65,626                                      | 104,074  | 3,419             | 173,119             |
| Interest Expense                                  | 2   |  |                   | 2                   |
| Other Operating Expenses                          | 8,992                                       | 31,793   |                   | 40,785              |
| Total Operating Expenses                          | <u>230,298</u>                              | <u>159,619</u>                                 | <u>3,419</u>      | <u>393,336</u>      |
| Operating Income                                  | <u>26,226</u>                               | <u>86,947</u>                                  | <u>12,706</u>     | <u>125,879</u>      |
| <b>NONOPERATING REVENUES (EXPENSES)</b>           |   |  |                   |                     |
| Lease Revenue                                     | 15  |  |                   | 15                  |
| Interest and Investment Income                    | 8,754                                       | 6,799  | 391               | 15,944              |
| Net Decrease in Fair Value of Investments         | (5,969)                                     | (19,532)                                       | (1,805)           | (27,306)            |
| Amortization                                      | 11,422                                      | 13,614   | 315               | 25,351              |
| Interest Expense                                  | (127,940)                                   | (200,270)                                      | (12,883)          | (341,093)           |
| Bond Issuance Expenses                            | (93)  | (682)  |                   | (775)               |
| Other Financing Fees                              | (38)  | (115)  |                   | (153)               |
| Total Nonoperating Revenues (Expenses)            | <u>(113,849)</u>                            | <u>(200,186)</u>                               | <u>(13,982)</u>   | <u>(328,017)</u>    |
| (Loss) before Capital Contributions and Transfers | <u>(87,623)</u>                             | <u>(113,239)</u>                               | <u>(1,276)</u>    | <u>(202,138)</u>    |
| <b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>        |   |  |                   |                     |
| Capital Contributions                             | 322   |  | 3,691             | 4,013               |
| Transfers In (Note 11)                            |   | 18   |                   | 18                  |
| Transfers Out (Note 11)                           | (161)                                       |  |                   | (161)               |
| Total Capital Contributions and Transfers         | <u>161</u>                                  | <u>18</u>                                      | <u>3,691</u>      | <u>3,870</u>        |
| Change in Net Position                            | <u>(87,462)</u>                             | <u>(113,221)</u>                               | <u>2,415</u>      | <u>(198,268)</u>    |
| Net Position, September 1, 2021                   | <u>273,412</u>                              | <u>(420,852)</u>                               | <u>240,920</u>    | <u>93,480</u>       |
| Net Position, August 31, 2022                     | <u>\$ 185,950</u>                           | <u>\$ (534,073)</u>                            | <u>\$ 243,335</u> | <u>\$ (104,788)</u> |

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

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**Texas Department of Transportation**  
**Statement of Cash Flows - Proprietary Funds**

For the Fiscal Year Ended August 31, 2022 (Amounts in Thousands)

|   | <b>Business-Type Activities - Enterprise Funds</b> |   |                      |                     |
|---|--|---|----------------------|---------------------|
|   | <b>Central Texas<br/>Turnpike<br/>System</b>       | <b>Grand Parkway<br/>Transportation<br/>Corporation</b> | <b>SH 249 System</b> | <b>Totals</b>       |
| <b>Cash Flows from Operating Activities</b>                     |  |   |                      |                     |
| Proceeds from Customers   | \$ 267,575   | \$ 207,839  | \$ 13,808            | \$ 489,222          |
| Payments to Suppliers for Goods and Services                    | (137,887)  | (54,278)  |                      | (192,165)           |
| Net Cash Provided by Operating Activities                       | <u>129,688</u>                                     | <u>153,561</u>  | <u>13,808</u>        | <u>297,057</u>      |
| <b>Cash Flows from Non-Capital Financing Activities</b>         |  |   |                      |                     |
| Payments for Principal on Debt                                  |  | (18,485)  |                      | (18,485)            |
| Payments for Debt Interest                                      |  | (175,338)   |                      | (175,338)           |
| Payments for Costs of Debt Issuance                             |  | (703)   |                      | (703)               |
| Payments for Financing Fees                                     |  | (116)   |                      | (116)               |
| Payments for Intangible Assets                                  |  | (177,413)   |                      | (177,413)           |
| Net Cash (Used) by Non-Capital Financing Activities             | <u>0</u>   | <u>(372,055)</u>  | <u>0</u>             | <u>(372,055)</u>    |
| <b>Cash Flows from Capital and Related Financing Activities</b> |  |   |                      |                     |
| Proceeds from Lease Revenue                                     | 15   |   |                      | 15                  |
| Payments for Purchase of Capital Assets                         | (9,332)  |   |                      | (9,332)             |
| Payments for Principal on Debt                                  | (45,350)   |   |                      | (45,350)            |
| Payments of Interest on Debt                                    | (93,586)   |   | (7,799)              | (101,385)           |
| Payments for Capital Assets                                     |  |   | (104)                | (104)               |
| Payments for Interfund Services                                 | (131)  |   |                      | (131)               |
| Net Cash (Used) by Capital and Related Financing Activities     | <u>(148,384)</u>                                   | <u>0</u>  | <u>(7,903)</u>       | <u>(156,287)</u>    |
| <b>Cash Flows from Investing Activities</b>                     |  |   |                      |                     |
| Proceeds from Interest and Investment Income                    | 8,902  | 7,258   | 320                  | 16,480              |
| Proceeds from Sales and Maturities of Investments               | 114,999  | 87,000  | 7,000                | 208,999             |
| Payments to Acquire Investments                                 | (10,000)   | (34,906)  | (34,997)             | (79,903)            |
| Payments for Accrued Interest on Purchase of Investment         |  | (4)   | (3)                  | (7)                 |
| Net Cash Provided by Investing Activities                       | <u>113,901</u>                                     | <u>59,348</u>   | <u>(27,680)</u>      | <u>145,569</u>      |
| Net Increase (Decrease) in Cash and Cash Equivalents            | <u>95,205</u>                                      | <u>(159,146)</u>  | <u>(21,775)</u>      | <u>(85,716)</u>     |
| Cash and Cash Equivalents - September 1, 2021                   | <u>386,799</u>                                     | <u>954,913</u>  | <u>55,481</u>        | <u>1,397,193</u>    |
| Cash and Cash Equivalents - August 31, 2022                     | <u>\$ 482,004</u>                                  | <u>\$ 795,767</u>                                       | <u>\$ 33,706</u>     | <u>\$ 1,311,477</u> |

Concluded on the following page

**Texas Department of Transportation**  
**Statement of Cash Flows - Proprietary Funds (continued)**  
For the Fiscal Year Ended August 31, 2022 (Amounts in Thousands)

|   | <b>Business-Type Activities - Enterprise Funds</b> |   |                      |                   |
|---|--|---|----------------------|-------------------|
|   | <b>Central Texas<br/>Turnpike<br/>System</b>       | <b>Grand Parkway<br/>Transportation<br/>Corporation</b> | <b>SH 249 System</b> | <b>Totals</b>     |
| <b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b> |  |   |                      |                   |
| Operating Income  | \$ 26,226  | \$ 86,947   | \$ 12,706            | \$ 125,879        |
| Depreciation and Amortization   | 65,626   | 104,074   | 3,419                | 173,119           |
| Other non-cash operating costs  | 2,553  |   |                      | 2,553             |
| Changes in Assets and Liabilities:  |  |   |                      |                   |
| (Increase) in Receivables   | (11,888)   | (44,568)  | (2,517)              | (58,973)          |
| (Increase) Decrease in Inventories  | 135  | (40)  |                      | 95                |
| Increase in Payables  | 26,266   | 1,126   |                      | 27,392            |
| Increase (Decrease) in Due to Other Funds   | (1,727)  | 180   |                      | (1,547)           |
| Decrease in Amounts Due from Other Funds  | 22,497   | 5,842   | 200                  | 28,539            |
| Total Adjustments   | <u>103,462</u>                                     | <u>66,614</u>   | <u>1,102</u>         | <u>171,178</u>    |
| Net Cash Provided by Operating Activities   | <u>\$ 129,688</u>                                  | <u>\$ 153,561</u>                                       | <u>\$ 13,808</u>     | <u>\$ 297,057</u> |
| <b>Non-Cash Transactions</b>  |  |   |                      |                   |
| Transfer in of Capital Assets from Other Funds  | \$ 322   | \$  | \$ 3,691             | \$ 4,013          |
| Net Change in Fair Market Value of Investments  | \$ (5,969)   | \$ (19,532)   | \$ (1,805)           | \$ (27,306)       |
| Change in Accrued Capital Asset Purchases   | \$ 1,829   | \$  | \$ 104               | \$ 1,933          |
| Change in Accrued Intangible Asset Purchases  | \$   | \$ 19,958   | \$                   | \$ 19,958         |
| Accretion on Bonds Payable  | \$ (33,309)  | \$ (25,052)   | \$ (5,084)           | \$ (63,445)       |
| Amortization on Bonds Payable   | \$ 11,422  | \$ 18,940   | \$ 315               | \$ 30,677         |
| Change in Unearned Revenue  | \$ 1,640   | \$ (2,660)  | \$ (241)             | \$ (1,261)        |
| Amortization of Deferred Inflow/Outflow   | \$ (1,005)   | \$ (5,326)  | \$                   | \$ (6,331)        |

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

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# Texas Department of Transportation

## Notes to Financial Statements

|  |     |
|--|-----|
| Note 1 – Summary of Significant Accounting Policies -----                        | 50  |
| Note 2 – Capital Assets -----  | 61  |
| Note 3 – Deposits, Investments and Repurchase Agreements -----                   | 63  |
| Note 4 – Loans Receivable -----  | 66  |
| Note 5 – Long-Term Liabilities -----   | 67  |
| Note 6 – Bonded Indebtedness -----   | 73  |
| Note 7 – Leases -----  | 86  |
| Note 8 – Retirement Plan -----   | 88  |
| Note 9 – Deferred Compensation -----   | 92  |
| Note 10 – Postemployment Benefits Other than Pensions -----                      | 93  |
| Note 11 – Interfund Activity and Transactions -----                              | 99  |
| Note 12 – Continuance Subject to Review -----                                    | 102 |
| Note 13 – Classification of Fund Balances and Net Position -----                 | 103 |
| Note 14 – Adjustments to Fund Balances and Net Position -----                    | 104 |
| Note 15 – Commitments and Contingencies -----                                    | 105 |
| Note 16 – Subsequent Events -----  | 107 |
| Note 17 – Risk Management -----  | 108 |
| Note 18 – Financial Reporting Entity -----                                       | 109 |
| Note 19 – Stewardship, Compliance and Accountability -----                       | 110 |
| Note 20 – Service Concession Arrangements -----                                  | 111 |
| Note 21 – Deferred Outflows of Resources and Deferred Inflows of Resources ----- | 113 |

## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### ***Reporting Entity***

The accompanying financial statements reflect the financial position of the Texas Department of Transportation (TxDOT). TxDOT is an agency of the state of Texas and is charged with developing and maintaining a statewide multimodal transportation network and other transportation related duties. The Texas Transportation Commission (the Commission), the governing body of TxDOT, has the authority to commit TxDOT to various legal agreements.

The financial activities of TxDOT, which consist of both governmental and proprietary activities, are reported under the transportation in the state of Texas Annual Comprehensive Financial Report (ACFR).

The Commission is authorized by Transportation Code Chapter 431 to create Texas transportation corporations to perform functions normally undertaken by TxDOT. As of fiscal 2022, two transportation corporations, the Texas Private Activity Bond Surface Transportation Corporation (TxPABST) and the Grand Parkway Transportation Corporation (GPTC), are reported as blended component units because TxDOT exercises sufficient authority over the assets, operations and management of such entities to warrant their inclusion. Even though Texas transportation corporations are a part of the TxDOT reporting entity, the state is not liable for debts of these corporations, nor entitled to the assets of these corporations.

### ***Basis of Presentation***

The accompanying financial statements were prepared in conformance with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). Financial reporting for TxDOT is based on all GASB pronouncements. The data in this report is combined and consolidated by the Texas Comptroller's Office with similar data from other state agencies and universities in the preparation of the state of Texas Annual Comprehensive Financial Report (ACFR).

### ***GASB Pronouncements and Implementation Guides Effective for Fiscal 2022***

In fiscal 2022 TxDOT adopted the following new GASB pronouncements:

- *GASB Statement No. 87, Leases.* This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under the statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Changes adopted to conform to the provisions of this Statement are applied retroactively by restating the beginning fund balance or net position, as applicable, for the earliest period restated. The effective date of the Statement was postponed from fiscal 2021 to fiscal 2022 by *GASB Statement 95, Postponement of the Effective Dates of Certain Authoritative Guidance*, due to the COVID-19 pandemic.
- *GASB Statement No. 93, Replacement of Interbank Offered Rates.* This statement addresses accounting and reporting implications that result from the replacement of an interbank offered rate (IBOR) or the London Interbank Offered Rate (LIBOR) in hedging derivative instruments and leases. Paragraph 11b on the removal of LIBOR as an appropriate interest rate for hedging derivative instruments and paragraphs 13 and 14 related to lease modifications are effective for fiscal 2022. All other paragraphs of the Statement were effective in fiscal 2021.
- *GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statement No. 14 and No. 84, and a supersession of GASB Statement No. 32.* The effective date of the Statement, other than paragraphs 4 and 5 was postponed to fiscal 2022 by *GASB Statement 95, Postponement of the Effective Dates of Certain Authoritative Guidance*, due to the COVID-19 pandemic. The Statement requires the IRC Section 457 plan be classified as either a pension plan or another employee benefit plan. The Section 457 Deferred Compensation Plan of TxDOT does not meet the definition of a pension plan and is therefore another employee benefit plan for accounting and financial reporting purposes. See Note 9 for details of the deferred compensation plans. Paragraphs 4 and 5 related to certain component unit criteria, were effective in fiscal 2021.



- *GASB Statement No. 99, Omnibus 2022*. Paragraphs 26-32 on replacement of LIBOR, SNAP, disclosure of nonmonetary transactions, pledges of future revenues, focus of the government-wide financial statements, and terminology updates are effective upon issuance, or for fiscal 2022. TxDOT early implemented Paragraphs 11-17 related to leases in fiscal 2022. Paragraphs 18-25 related to PPPs and SBITAs are effective in fiscal 2023. Paragraphs 4-10 related to financial guarantees and derivative instruments are effective in fiscal 2024.
- *GASB Implementation Guide No. 2019-3 Leases*. The Implementation Guide provides questions and answers related to accounting and financial reporting for leases in accordance with the requirements of Statement 87.
- *GASB Implementation Guide No. 2020-1, Implementation Guidance Update – 2020*. The requirements of the Implementation Guide are effective for fiscal 2022 except for questions 4.19-4.21 on conduit debt obligations, which will be effective for fiscal 2023. TxDOT early implemented Questions 4.6-4.17 on leases in fiscal 2022. Questions and answers in paragraph 4 are new Category B guidance in the hierarchy of generally accepted accounting principles. Questions in the paragraph 5 amend questions in previously issued Implementation Guides.
- *GASB Implementation Guide No. 2021-1, Implementation Guidance Update – 2021*. Question 4.22 on the effective date and transition of Statement 87 is effective for fiscal 2022. All other questions and answers of the Implementation Guide are effective in fiscal 2023.

### ***Financial Reporting Structure***

The basic financial statements include entity-wide financial statements and fund financial statements. The reporting model based on GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* focuses on TxDOT as a whole in the entity-wide financial statements and major individual funds in the fund financial statements.

#### ***Entity-wide Financial Statements***

The entity-wide financial statements (statement of net position and statement of activities) display information about TxDOT as a whole and the change in aggregate financial position resulting from the activities of the fiscal period. These statements include separate columns for the governmental and business-type activities of TxDOT (including its blended component units). In the statement of net position, both the governmental and business-type activities columns are presented on a consolidated basis by column and are reflected on an accrual basis, economic measurement focus which incorporates noncurrent investments, capital assets and long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, and 3) grants and contributions that are restricted to meeting the capital-specific requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

#### ***Fund Financial Statements***

The fund financial statements are presented after the entity-wide financial statements. They display information about major funds individually and in the aggregate for governmental and proprietary funds. In governmental funds, assets are presented in order of relative liquidity. In proprietary funds, assets and liabilities are presented in a classified format that distinguishes between all current and noncurrent assets and liabilities. Current liabilities are obligations to be paid within the next fiscal year.

The major governmental funds in the fund financial statements are presented on a current financial resources measurement focus and the modified accrual basis of accounting. This presentation is deemed most appropriate to demonstrate compliance with legal and covenant requirements, the source and use of financial resources and how TxDOT’s actual experience conforms to the budget. Since the governmental fund financial statements are presented using a different measurement focus and basis of accounting than the entity-wide financial statements governmental activities column, a reconciliation is presented. The reconciliation explains the adjustments required to convert the fund based financial statements to the entity-wide financial statements’ governmental activities column.

TxDOT uses funds to report its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts.

### *Governmental Fund Types*

Governmental funds focus on the sources and uses of funds. Included in the governmental fund financial statements are general, special revenue, debt service and capital projects funds. The general fund is used to account for the departmental operations funded by legislative appropriations but is not considered the main operating fund for TxDOT. Special revenue funds account for specific revenue sources that are restricted or committed for specific purposes other than debt service or capital projects. Debt service funds are used to account for financial resources that are restricted, committed or assigned to expenditure for principal and interest. Capital projects funds are used to account for financial resources that are restricted, committed or assigned to expenditure for capital outlays.

TxDOT reports the following two major governmental funds:

#### State Highway Fund

The State Highway Fund (SHF) is TxDOT's main operating fund. TxDOT reports the following accounts/sub-funds, which are consolidated into the state highway fund for GAAP reporting purposes. The state highway fund is reported as a special revenue fund.

- State Highway Fund Accounts – These funds contain the activity related to public road construction, maintenance and monitoring of the state's highway system. The significant ongoing revenue sources are federal revenues, motor fuels taxes, and other oil and gas taxes which are constitutionally restricted and dedicated to the highway fund.
- Proposition 1 Fund – This fund is used to record, track and report the receipt and disbursement of the Proposition 1 allocation of oil and gas production tax to SHF.
- Proposition 7 Fund – This fund is used to record, track and report the receipt and disbursement of the Proposition 7 allocation of state sales and use tax and motor vehicle sales and rental tax to SHF.
- State Infrastructure Bank – This fund operates as a revolving loan program that makes loans to public and private entities to encourage the development of transportation projects and facilities.

#### Texas Mobility Fund

This fund operates as a revolving fund to provide a method of financing construction, reconstruction, acquisition and expansion of state highways and other transportation projects. The principal ongoing revenue source of the fund is fees committed by the Legislature under the authority of the Texas Constitution, Article III, Section 49-k. Other inflows to the fund include bond proceeds. The Mobility Fund is reported as a debt service fund type and a capital projects fund type.

Additionally, TxDOT reports the following non-major governmental funds:

#### General Fund:

TxDOT reports the following funds, which are consolidated into the general fund for GAAP reporting purposes but are not considered the main operating fund for TxDOT.

- General Revenue Fund – This fund is used to account for all financial resources of the state except those required to be accounted for in another fund.
- Traffic Safety-Crash Records Information Systems – This fund is used to account for expenditures pertaining to the crash records information system.
- Colonias Project Fund – This fund provides financial assistance to counties for roadway projects serving border Colonias. Funding is provided from the sale of bonds or commercial paper, which are issued and reported by the Texas Public Finance Authority.

- Suspense Fund – This fund is used to temporarily hold and account for receipts until the correct disposition of items is determined.
- Child Support Deductions Fund – This Fund is used to temporarily hold and account for employee salaries that are withheld due to outstanding child support debts.
- Coronavirus Relief Fund – This fund is established outside the General Revenue Fund to receive Texas’ share of federal money appropriated under various federal legislation related to the coronavirus pandemic.
- Economic Stabilization Fund – The 86<sup>th</sup> Legislature appropriated \$125.0 million to the TxDOT for County Transportation Infrastructure Grants (CTIF).

#### Special Revenue Fund:

- Transportation Infrastructure Fund– This fund was established to make grants to counties for transportation infrastructure projects located in areas of the state affected by increased oil and gas production. The sources of the fund include federal funds, matching state funds, funds appropriated by the legislature, gifts, grants, fees, and investment earnings.

#### Debt Service Fund:

- Proposition 14/State Highway Fund Debt Service– This fund receives transfers in from the state highway fund for debt service on state highway fund revenue bonds.
- Proposition 12/Highway Improvement Project Fund Debt Service - This fund receives transfers in from the Proposition 7 Fund for debt service on Texas highway improvement general obligation bonds.

#### Capital Projects Fund:

- Local Government Political Subdivision Road/Airport Fund - This fund holds contributions from counties/political subdivisions for expenditure by the Commission in development/construction of public roads and airports within such counties or political subdivisions.
- Austin Campus Consolidation Project Fund – This fund receives the proceeds of the revenue bond issued by the Texas Public Financing Authority to finance the construction of the Austin TxDOT campuses. The fund reports the construction activity supported by the project. The fund is reported as a capital project fund.

#### *Proprietary Fund Type*

Proprietary funds focus on determining operating income, changes in financial position and cash flows. Generally accepted accounting principles similar to those used by private sector businesses are applied in accounting for these funds. Enterprise funds may be used to report any activity for which a fee is charged to external users for goods or services. TxDOT reports the following major proprietary funds:

#### Central Texas Turnpike System Fund

These funds report the activity and debt associated with the Central Texas Turnpike System toll roads.

#### Grand Parkway Transportation Corporation

These funds report the activity and debt associated with the development of Segments D (Harris County), E, F-1, F-2, G, H, I-1, I-2A and I-2B of the Grand Parkway toll road construction as reported by the Grand Parkway Transportation Corporation.

## State Highway 249 System Fund

This fund was reclassified from a nonmajor proprietary fund to a major proprietary fund in fiscal 2021 after substantial completion of the system. The fund reports the activity and debt associated with the development of the Texas SH 249 System. The System consists of 15 miles of new controlled access tollway from Farm to Market (FM) 1774 in Pinehurst, Montgomery County to FM 1774 in Todd Mission, Grimes County.

### *Component Units*

The Texas Private Activity Bond Surface Transportation Corporation is reported as a nonmajor component unit. The Grand Parkway Transportation Corporation is a component unit reported as a major proprietary fund. All component units are presented in TxDOT's financial statements as blended component units. See Note 18 for more details.

### ***Basis of Accounting***

Entity-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Under the economic resources measurement focus, all economic resources and obligations of the reporting entity, both current and noncurrent, are reported in the entity-wide financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Non-exchange transactions, in which TxDOT gives (or receives) value without directly receiving (or giving) equal value in exchange, include intergovernmental grants. Revenue for grants and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental funds use the flow of current financial resources focus and the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become both measurable and available. For this purpose, revenues are considered to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures are generally recognized when the related fund liability is incurred. However, principal and interest on bonds is recorded only when due and compensated absences and claims and judgments are recorded when they are expected to be liquidated with expendable available financial resources. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt are reported as other financing sources.

Proprietary funds are accounted for on the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. A proprietary fund distinguishes operating from non-operating items. Operating revenues and expenses result from providing services or producing and delivering goods in connection with the proprietary fund's principal ongoing operations. Operating expenses for an enterprise fund include cost of sales and services, administrative expenses and depreciation on capital assets.

### ***Shared Fund Presentation***

The financial statement presentation for the state highway fund and general fund represent only the portion of shared funds that can be directly attributed to the operations of TxDOT. Financial statements for total fund operations of shared state funds are presented in the state of Texas Annual Comprehensive Financial Report (ACFR).

In presenting these financial statements, certain unique accounts are used for the presentation of shared funds. The following accounts are used in these financial statements to present TxDOT's portion of shared funds.

#### **Legislative Appropriations**

This "asset" account represents TxDOT's remaining legislative appropriation authority at fiscal year-end.

## Appropriations Revenue

Amount reported as revenue is the total appropriation authority given to TxDOT for the current fiscal year less the unencumbered appropriations balances that have been lapsed during the fiscal year.

### ***Budgetary Information***

TxDOT's budget is prepared on a performance-based concept and is represented by biennial appropriations enacted by the Legislature and signed by the governor. The governmental fund with legally adopted budgets is the state highway fund.

### ***Assets, Deferred Outflows, Deferred Inflows, Liabilities and Fund Balances/Net Position***

#### *Cash and Cash Equivalents*

For reporting purposes, cash and cash equivalents includes cash on hand, cash in transit, cash in local banks, cash in the treasuries, money market funds, state and local government investment pools, and cash equivalents. The statement of cash flows presents the change in cash and cash equivalents during the fiscal year. Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near maturity they present insignificant risk of a decrease in value due to changes in interest rates. Investments with an original maturity of three months or less and used for cash management rather than investing activities are considered cash equivalents.

#### *Investments*

Invested amounts associated with TxDOT and Grand Parkway Transportation Corporation. See Note 3 for more details.

#### *Inventories and Prepaid Items*

Inventory items are reported at a weighted average cost. Inventory consists of supplies and roadway materials on hand for future use. The consumption method of accounting is used to account for inventories and prepaid items. The costs of these items are expensed when the items are consumed.

#### *Receivables*

The major receivables for TxDOT are federal, taxes and other intergovernmental. Receivables represent amounts due to TxDOT at fiscal year-end, for revenues earned in the current fiscal year that will be collected in the future. Amounts expected to be collected in the next fiscal year are classified as current, and amounts expected to be collected beyond the next fiscal year are classified as noncurrent. All receivables are recorded net of allowances for uncollectable accounts.

Under the GASB Statement 87, a lessor is required to recognize a lease receivable at the commencement of the lease term. The lease receivable should be measured at the present value of lease payments expected to be received during the lease term. A lessor should recognize interest revenue on the lease receivable. In subsequent financial reporting periods, the lessor should calculate the amortization of the discount on the lease receivable and report that amount as an inflow of resources or interest revenue for the period. Any payments received should be allocated first to the accrued interest receivable and then to the lease receivable.

#### *Loans and Contracts*

Loans and contracts represent claims for which formal instruments of credit are issued as evidence of debt, such as a promissory note. The credit instrument normally requires the debtor to pay interest and extends for time periods of 30 days or longer. TxDOT provides state and local financing tools to assist local governments with transportation projects. See Note 4 for more details.

#### *Restricted Assets*

Restricted assets include monies or other resources restricted by legal or contractual requirements. These assets include proceeds from revenue bonds, as well as certain revenues set aside for statutory or contractual requirements.

### *Deferred Inflows of Resources and Deferred Outflows of Resources*

In the governmental fund financial statements, revenues that are earned but not expected to be collected within 60 days are not available to liquidate the liabilities of the current period. These revenues are reported as deferred inflows of resources.

Deferred inflows of resources are an acquisition of net assets by TxDOT that is applicable to a future reporting period. Deferred inflows have a negative effect on net position, similar to liabilities. TxDOT reports deferred inflows of resources as the offset account to assets received under a service concession arrangement in financial statements prepared using the economic resources measurement focus. See Note 21 for additional information.

Deferred outflows of resources are defined as a consumption of net assets by the government that is applicable to a future reporting period. Deferred outflows of resources increase net position, similar to assets.

For current refundings and advance refundings resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred inflow of resources or deferred outflow of resources. The deferred inflows and deferred outflows of resources are amortized and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter.

TxDOT also reports deferred inflows of resources and deferred outflows of resources related to the recognition of TxDOT's share of the state's Net Pension Liability and Net OPEB Liability. Reported deferred outflows of resources include plan contributions made subsequent to the Aug. 31, 2021 measurement date, and the unamortized balance resulting from changes in assumptions used to calculate net pension liability. TxDOT reports deferred inflows of resources for the unamortized balance resulting from other changes to the components used to calculate net pension liability.

With the implementation of the GASB Statement 87, a lessor is required to recognize a deferred inflow of resources. The deferred inflow of resources should be measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods. A lessor should recognize an inflow of resource or revenue from the deferred inflows of resources in a systematic and rational manner over the term of the lease. The deferred inflow of resources generally should be adjusted by the same amount as any change resulting from the remeasurement of the lease receivable. See Note 21 for additional information.

### *Service Concession Intangible Assets*

Our blended component unit, GPTC, is operating under two service concession arrangements (SCA) with TxDOT. As a governmental operator, GPTC records an intangible asset for its cost of design and construction. Amortization of the intangible asset begins upon the completion of construction and the opening to traffic. See Note 20 for more information about GPTC's SCA with TxDOT.

### *Capital Assets*

Capital assets, which include land, infrastructure, furniture, equipment and intangible capital assets, are capitalized and reported in the financial statements using the accrual basis of accounting. Capital assets are recorded as expenditures at the time of purchase in the governmental funds.

Capital assets are assets with a cost above a set minimum capitalization threshold that, when acquired, have an estimated useful life of more than one year. Land, permanent land-use rights, and construction in progress do not have a capitalization threshold and are not depreciated. The capitalization thresholds and useful lives of TxDOT's depreciable capital assets are as follows:

| <b>Capitalization Thresholds by Class of Asset</b> |                                 |                              |
|--|---------------------------------|------------------------------|
| <b>Classification</b>                              | <b>Capitalization Threshold</b> | <b>Estimated Useful Life</b> |
| Buildings and Building Improvements                | \$ 100,000                      | 5-30 years                   |
| Infrastructure                                     | \$ 500,000                      | 10-50 years                  |
| Furniture and Equipment                            | \$ 5,000                        | 3-15 years                   |
| Vehicles, Boats and Aircraft                       | \$ 5,000                        | 5-40 years                   |
| Internally Generated Computer Software             | \$ 1,000,000                    | 3-10 years                   |
| Other Computer Software                            | \$ 100,000                      | 3-10 years                   |
| Land Use Rights – Term/Temporary                   | \$ 100,000                      | 2-10 years                   |
| Intangible Right-to-Use Lease Assets               | \$ 100,000                      | >1 year                      |

All capital assets acquired or constructed by TxDOT are capitalized at cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at acquisition value at the date of donation. A facility constructed or improved under a qualifying service concession arrangement is reported as a capital asset at acquisition value when it is placed in operation. Costs of normal maintenance and repairs that do not add value to the asset or materially extend the asset's useful life are not capitalized.

TxDOT uses the depreciation approach for reporting both highways and highway bridges of the infrastructure assets. Under the depreciation approach, infrastructure assets are depreciated over a 40-year life, and certain preservation costs are capitalized. The capitalization threshold of \$500,000 is used for both highway bridges and roadways.

TxDOT also holds three years of costs in construction in progress at all times. At the fourth year, the first year is moved to depreciable infrastructure. The three-year assumption is based on a 2.7-year contract life when using the weighted dollar analysis of project costs and completion dates over the ten-year history.

The GASB Statement 87 requires a lessee recognize an intangible right-to-use lease asset at the commencement of the lease term unless the lease is a short-term lease or it transfers ownership of the underlying asset. The lease asset should be measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. A lease asset should be amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. The amortization of the lease asset should be reported as an outflow of resource, i.e., amortization expense.

#### *Unearned Revenue*

Unearned revenue is reported when cash or other assets are received prior to being earned.

#### *Service Concession Arrangements (SCA) Up-front Payments*

TxDOT may receive up-front payments related to the SCA's on the development of highways and future toll-road operations. Under each of these agreements the toll road reverts back to the state at the end of the term or upon certain reimbursement conditions. In the governmental fund financial statements, TxDOT reports up-front payments as other financing sources in the year received. In the entity-wide statements, the up-front payments are recorded as deferred inflows of resources. Revenue is recognized on a straight-line basis over the term of the agreement, beginning when the roadway is placed into operation.

#### *Long-Term Liabilities*



In the entity-wide financial statements and proprietary funds financial statements, long-term debt and other long-term obligations are reported as long-term liabilities in the applicable governmental activities or business-type activities statement of net position. Long-term liabilities include net pension liability, net OPEB liability, employees' compensable leave, general obligation bonds payable, revenue bonds payable, notes payable, pollution remediation obligations, and asset retirement obligation.

Bonds payable are reported net of the applicable bond premium or discount. Bond premiums and discounts are amortized over the life of the bonds using the bonds outstanding method, which is materially consistent with the effective interest method. Issuance costs are reported as an expense in the period incurred.

In the governmental fund financial statements, bond premiums, discounts and bond issuance costs are recognized during the current period. The face amount of the debt is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received are reported as debt service expenditures.

Long-term obligations to be paid within one year of the financial statements date are reported as current liabilities and are considered short-term obligations. In certain circumstances, however, amounts scheduled to mature during the ensuing fiscal year are instead reported as noncurrent long-term liabilities. This provision applies when TxDOT or GPTC intends to refinance or refund a debt instrument on a long-term basis and either issues a long-term obligation or enters into a financing agreement after the date of the financial statements but before the financial statements are issued.

A state employee is entitled to be paid for all unused vacation time accrued, in the event of the employee's resignation, dismissal or separation from state employment, provided the employee has had continuous employment with the state for six months. Expenditures for accumulated annual leave balances are recognized in the period paid or taken in the governmental fund financial statements.

Under the GASB Statement 87, a lessee should recognize a lease liability at the commencement of the lease term unless the lease is a short-term lease or it transfers ownership of the underlying asset. The lease liability should be measured at the present value of payments expected to be made during the lease term less any lease incentives. A lessee should reduce the lease liability as payments are made and recognize an outflow of resource or expense for interest on the liability. See Note 5 for more information.

#### *Fund Balance/Net Position*

In the entity-wide and proprietary statements, the net position is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. The net position is displayed in three components. The potential categories of net position include:

- *Net Investment in Capital Assets*— capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, notes or other borrowings that are attributed to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included. As of Aug. 31, 2022, the balance of the deferred inflow of resources from capital assets under service concession arrangements was \$9.2 billion. The deferred inflow of had a significant impact on the net investment in capital assets, which was reduced by the deferral amount.
- *Restricted* – restricted assets reduced by liabilities and deferred inflows, or resources related to those assets. When both restricted and unrestricted resources are available for use, generally it is TxDOT's policy to use restricted resources first, then unrestricted resources when they are needed.
- *Unrestricted* – amounts not required to be reported in the other components of net position.

Fund balances for governmental funds are displayed in five components. The potential categories of fund balance include:

- *Nonspendable fund balance* – 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. The primary component of nonspendable fund balance is the balance in consumable inventories.
- *Restricted fund balance* – resources that have constraints placed on their use through external parties or by law through

constitutional provisions.

- *Committed fund balance* – can be used only for specific purposes pursuant to constraints imposed by a formal action of the Legislature, the state’s highest level of decision-making authority. These committed amounts cannot be used for any other purpose unless the Texas Legislature removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.
- *Assigned fund balance* – amounts constrained by the Commission’s intent to be used for specific purposes but are neither restricted nor committed.
- *Unassigned fund balance* – residual classification for the general fund. The 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.

When only unrestricted resources are available for use, it is TxDOT’s policy to use committed resources first, then assigned resources and lastly unassigned resources.

A positive unassigned fund balance can only exist within the general fund. Deficit fund balances in a fund are reported as unassigned fund balance.

### ***Revenue Sources***

TxDOT’s principal revenue sources are federal and tax revenue. As the state’s transportation agency, TxDOT receives reimbursements from the Federal Highway Administration (FHWA) for certain costs incurred for engineering, construction, right-of-way acquisition, research activities and general administrative costs. Federal reimbursement is based on a percentage of the costs expended from state funds on approved projects. The percentage of reimbursement for allowable costs varies from 50 to 100 percent. TxDOT receives these reimbursements based on the state’s apportionment from the Federal Highway Trust Fund on a federal fiscal year basis.

TxDOT receives federal funding from other federal agencies for specific transportation related projects. See Schedule 1-A for more information on federal receipts and expenditures.

TxDOT reports its constitutionally dedicated share of taxes on motor fuels sold in Texas as tax revenues. Generally, this constitutionally dedicated share is 75 percent of net collections, after reductions for collection expenses and refunds. In general, 20 cents per gallon is collected on gasoline and diesel sold for highway use. Liquefied gas sold for highway use is generally taxed at 15 cents per gallon and is required to be prepaid. TxDOT also receives and reports the state sales tax from the sale of lubricants, which is deposited to the state highway fund.

On Nov. 4, 2014, Texas voters approved Proposition 1, authorizing a constitutional amendment for transportation funding. Under the amendment, a portion of oil and gas tax revenues that typically go into the Economic Stabilization Fund will be deposited to the State Highway Fund to assist in the completion of transportation construction, maintenance, and rehabilitation projects, not to include toll roads.

On Nov. 3, 2015, Texas voters approved Proposition 7 that dedicates a portion of the revenue from the state sales and use tax and motor vehicle sales and rental tax to the State Highway Fund to provide funding for non-tolled roads and the reduction of transportation-related debt.

Major sources of pledged revenue for the Texas Mobility Fund include driver license fees, motor vehicle inspection fees, certificate of title fees and driver record information fees.

CTTS operating revenues for fiscal 2022 is mainly comprised of \$213.1 million in toll revenue. This represents \$227.3 million in gross toll revenue, net of an increase in allowance for doubtful accounts of \$14.2 million. CTTS also earned toll fees of \$25.1 million and other sales revenue of \$18.3 million.

GPTC operating revenues for fiscal 2022 consist of \$246.6 million in toll revenue earned by open Segments D, E, F-1, F-2, G, H, I-1, I-2A and I-2B. This represents \$255.0 million in gross toll revenue, minus an increase in allowance for doubtful accounts of \$8.5 million.

### ***Interfund Activity and Transactions***

Interfund activity refers to financial interaction between funds (including blended component units) and is related to internal events. Interfund transactions refer to interactions with other state agencies.

Interfund receivables and payables are eliminated from the statement of net position except for amounts due between governmental and business-type activities. These amounts are reported as internal balances on the statement of net position. See Note 11 for more details.

See Note 11, Interfund Activity and Transactions, for more information.

## NOTE 2 – CAPITAL ASSETS

The tables on the following pages present the composition of TxDOT's capital assets and intangible right to use assets, adjustments, reclassifications, additions and deletions during fiscal 2022. The adjustments and reclassifications column presents completed construction projects, transfers of capital assets between agencies and between the governmental and business-type activities of TxDOT, and the transition balances of right-to-use leases due to GASB 87 implementation. The additions column includes current year purchases, new right-to-use leases, depreciation and amortization. The deletions column represents assets removed during the current fiscal year via sale, impairment, or disposition. This column also includes right to use leases removed during the year due to early termination.

Depreciation and amortization expenses were charged to the transportation function in the accompanying Statement of Activities.

| <b>Capital Asset Activity</b>   |   |  |                  |                  |   |
|---|---|--|------------------|------------------|---|
| <b>For the Fiscal Year Ended August 31, 2022</b> (Amounts in Thousands) |   |  |                  |                  |   |
|   | <b>Beginning<br/>Balance<br/>9/1/2021</b> | <b>Adjustments &amp;<br/>Reclassifications</b> | <b>Additions</b> | <b>Deletions</b> | <b>Ending<br/>Balance<br/>8/31/2022</b> |
| <b>GOVERNMENTAL ACTIVITIES</b>  |   |  |                  |                  |   |
| <b>Non-Depreciable &amp; Non-Amortizable Assets</b>                     |   |  |                  |                  |   |
| Land and Land Improvements  | \$ 16,840,635                             | \$ (29)  | \$ 1,141,915     | \$ (946)         | \$ 17,981,575                           |
| Construction in Progress  | 21,965,776                                | (6,525,530)                                    | 7,253,610        |                  | 22,693,856                              |
| Land Use Rights - Permanent   | 87,105                                    |  | 1,859            | (172)            | 88,792                                  |
| Total Non-Depreciable & Non-Amortizable Assets                          | 38,893,516                                | (6,525,559)                                    | 8,397,384        | (1,118)          | 40,764,223                              |
| <b>Depreciable Assets</b>   |   |  |                  |                  |   |
| Buildings and Building Improvements                                     | 658,201                                   | 368,647  |                  | (7,700)          | 1,019,148                               |
| Infrastructure  | 114,393,042                               | 6,023,769                                      | 1,066,794        | (523)            | 121,483,082                             |
| Furniture and Equipment   | 223,961                                   | 51   | 22,407           | (16,959)         | 229,460                                 |
| Vehicles and Aircraft   | 948,548                                   | 1,213  | 19,937           | (21,279)         | 948,419                                 |
| Other Capital Assets  | 16,191                                    | 129  |                  | (3,574)          | 12,746                                  |
| Total Depreciable Assets  | 116,239,943                               | 6,393,809                                      | 1,109,138        | (50,035)         | 123,692,855                             |
| Less Accumulated Depreciation for:                                      |   |  |                  |                  |   |
| Buildings and Building Improvements                                     | (353,978)                                 |  | (23,980)         | 6,669            | (371,289)                               |
| Infrastructure  | (26,609,016)                              |  | (2,293,695)      | 13               | (28,902,698)                            |
| Furniture and Equipment   | (156,450)                                 | 31   | (15,323)         | 15,680           | (156,062)                               |
| Vehicles and Aircraft   | (562,074)                                 | (881)  | (50,294)         | 16,898           | (596,351)                               |
| Other Capital Assets  | (10,912)                                  |  | (670)            | 3,574            | (8,008)                                 |
| Total Accumulated Depreciation  | (27,692,430)                              | (850)  | (2,383,962)      | 42,834           | (30,034,408)                            |
| Depreciable Assets, Net   | 88,547,513                                | 6,392,959                                      | (1,274,824)      | (7,201)          | 93,658,447                              |
| <b>Intangible Capital Assets - Amortizable</b>                          |   |  |                  |                  |   |
| Land Use Rights - Term  | 1,114                                     |  |                  | (766)            | 348                                     |
| Computer Software   | 61,450                                    | 128,999  | 906              |                  | 191,355                                 |
| Total Amortizable Assets  | 62,564                                    | 128,999  | 906              | (766)            | 191,703                                 |
| Less Accumulated Amortization for:                                      |   |  |                  |                  |   |
| Land Use Rights - Term  | (514)                                     |  | (380)            | 768              | (126)                                   |
| Computer Software   | (50,613)                                  |  | (6,690)          |                  | (57,303)                                |
| Total Accumulated Amortization  | (51,127)                                  | 0  | (7,070)          | 768              | (57,429)                                |
| Amortizable Assets, Net   | 11,437                                    | 128,999  | (6,164)          | 2                | 134,274                                 |
| <b>Intangible Right to Use (RTU) Assets - Amortizable</b>               |   |  |                  |                  |   |
| Building and Building Improvements                                      |   | 11,913   | 11,428           |                  | 23,341                                  |
| Land & Land Improvements  |   | 3,044  |                  |                  | 3,044                                   |
| Equipment   |   | 2,042  | 4,597            | (175)            | 6,464                                   |
| Total Amortizable RTU Assets  | 0   | 16,999   | 16,025           | (175)            | 32,849                                  |
| Less Accumulated Amortization for:                                      |   |  |                  |                  |   |
| Building and Building Improvements                                      |   |  | (2,030)          |                  | (2,030)                                 |
| Land & Land Improvements  |   |  | (1,178)          |                  | (1,178)                                 |
| Equipment   |   |  | (1,111)          | 168              | (943)                                   |
| Total Accumulated Amortization - RTU Assets                             | 0   | 0  | (4,319)          | 168              | (4,151)                                 |
| Amortizable Intangible RTU Assets, Net                                  | 0   | 16,999   | 11,706           | (7)              | 28,698                                  |
| Governmental Activities Capital Assets, Net                             | \$ 127,452,466                            | \$ 13,398                                      | \$ 7,128,102     | \$ (8,324)       | \$ 134,585,642                          |

**Capital Asset Activity (Concluded)**

For the Fiscal Year Ended August 31, 2022 (Amounts in Thousands)

|   | <b>Beginning<br/>Balance<br/>9/1/2021</b> | <b>Reclassifications</b> | <b>Additions</b>   | <b>Deletions</b>  | <b>Ending<br/>Balance<br/>8/31/2022</b> |
|---|---|--------------------------|--------------------|-------------------|---|
| <b>BUSINESS-TYPE ACTIVITIES</b>                     |   |                          |                    |                   |   |
| <b>Non-Depreciable &amp; Non-Amortizable Assets</b> |   |                          |                    |                   |   |
| Land and Land Improvements                          | \$ 726,100                                | \$ 29                    | \$                 | \$                | \$ 726,129                              |
| Construction in Progress                            | 402,151                                   | (156,159)                | 7,503              |                   | 253,495                                 |
| Land Use Rights - Permanent                         | 19,466                                    |                          |                    |                   | 19,466                                  |
| Total Non-Depreciable & Non-Amortizable Assets      | <u>1,147,717</u>                          | <u>(156,130)</u>         | <u>7,503</u>       | <u>0</u>          | <u>999,090</u>                          |
| <b>Depreciable Assets</b>                           |   |                          |                    |                   |   |
| Buildings and Building Improvements                 | 8,360                                     |                          |                    |                   | 8,360                                   |
| Infrastructure                                      | 2,418,792                                 | 160,143                  |                    |                   | 2,578,935                               |
| Total Depreciable Assets                            | <u>2,427,152</u>                          | <u>160,143</u>           | <u>0</u>           | <u>0</u>          | <u>2,587,295</u>                        |
| Less Accumulated Depreciation for:                  |   |                          |                    |                   |   |
| Buildings and Building Improvements                 | (5,561)                                   |                          | (362)              |                   | (5,923)                                 |
| Infrastructure                                      | (550,830)                                 |                          | (57,820)           |                   | (608,650)                               |
| Total Accumulated Depreciation                      | <u>(556,391)</u>                          | <u>0</u>                 | <u>(58,182)</u>    | <u>0</u>          | <u>(614,573)</u>                        |
| Depreciable Assets, Net                             | <u>1,870,761</u>                          | <u>160,143</u>           | <u>(58,182)</u>    | <u>0</u>          | <u>1,972,722</u>                        |
| <b>Intangible Capital Assets - Amortizable</b>      |   |                          |                    |                   |   |
| Computer Software                                   | 54,322                                    |                          |                    | (3,259)           | 51,063                                  |
| Total Amortizable Assets                            | <u>54,322</u>                             | <u>0</u>                 | <u>0</u>           | <u>(3,259)</u>    | <u>51,063</u>                           |
| Less Accumulated Amortization for:                  |   |                          |                    |                   |   |
| Computer Software                                   | (905)                                     |                          | (10,865)           | 706               | (11,064)                                |
| Total Accumulated Amortization                      | <u>(905)</u>                              | <u>0</u>                 | <u>(10,865)</u>    | <u>706</u>        | <u>(11,064)</u>                         |
| Amortizable Assets, Net                             | <u>53,417</u>                             | <u>0</u>                 | <u>(10,865)</u>    | <u>(2,553)</u>    | <u>39,999</u>                           |
| Business-Type Activities Capital Assets, Net        | <u>\$ 3,071,895</u>                       | <u>\$ 4,013</u>          | <u>\$ (61,544)</u> | <u>\$ (2,553)</u> | <u>\$ 3,011,811</u>                     |

### NOTE 3 – DEPOSITS, INVESTMENTS & REPURCHASE AGREEMENTS

TxDOT and Grand Parkway Transportation Corporation (GPTC) are authorized by statute to make investments following the “prudent person rule.” TxDOT and GPTC have complied, in all material respects, with statutory authorization, bond documents, constraints and TxDOT policies during the period.

#### *Deposits*

The following amounts consist of all cash and cash equivalents in local banks. These amounts are included on the combined statement of net position as part of the “cash and cash equivalents” accounts.

|  |           |
|--|-----------|
| <b>Cash In Bank – Carrying Amount</b>                                |           |
| August 31, 2022 (Amounts in Thousands)                               |           |
| <u>Governmental Activities</u>                                       |           |
| Governmental Funds Current Assets Cash In Bank - Depository Accounts | \$ 935    |
| <u>Business-Type Activities</u>                                      |           |
| Business Type Funds (CTTS) Current Assets Cash -Depository Accounts  | \$ 15,861 |

#### *Custodial Credit Risk – Deposits*

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, deposits or collateral securities in the possession of an outside party will not be recovered. All TxDOT’s deposits are protected by insurance provided by the Federal Deposit Insurance Corporation (FDIC).

Regular depository accounts are insured by the FDIC up to \$250 thousand per depositor, per insured bank. As of Aug. 31, 2022, the sweep account is subjected to the same \$250 thousand coverage provided to a regular depository account.

#### *Treasury Pool*

All monies in funds established in the Texas Comptroller of Public Accounts (Comptroller) Treasury Operations Division (Treasury) are pooled with other state funds and invested under the direction of the Comptroller of Public Accounts Treasury Operations Division (Treasury). Governmental fund deposits in the state treasury totaled \$9.9 billion at Aug. 31, 2022.

The Treasury obtains direct access to the services of the Federal Reserve System through the Texas Treasury Safekeeping Trust Company (Trust Company). The Federal Reserve Bank requires that the Trust Company maintain a positive cash balance in the account during and at the end of the day. The Trust Company met those requirements throughout fiscal 2022. The Comptroller has delegated investment authority to the Trust Company and utilizes the Trust Company to manage and invest funds in the Treasury Pool.

State statutes authorize the Treasury to invest state funds in fully collateralized time deposits; direct security repurchase agreements; reverse repurchase agreements; obligations of the United States and its agencies and instrumentalities; banker’s acceptances; commercial paper; and contracts written by the Comptroller, which are commonly known as covered call options. Funds held in the treasury pool have not been categorized as to credit risk because TxDOT does not own individual securities. Details on the nature of these deposits and investments are available within the state of Texas Annual Comprehensive Financial Report.

#### *Investments*

TxDOT, and GPTC hold investments that are measured at fair value on a recurring basis. Because investing is not a core part of TxDOT’s mission, the disclosures related to these investments only need to be disaggregated by major type.

TxDOT, and GPTC categorize fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The three-tiered fair value hierarchy is as follows.

- Level 1 – Quoted prices for identical investments in an active market
- Level 2 – Significant other observable inputs other than quoted market prices
- Level 3 – Significant unobservable inputs

As of Aug. 31, 2022, the measurements of TxDOT's investments are summarized below:

| <b>Investment Valuation</b>            |   |   |              |
|--|---|---|--------------|
| August 31, 2022 (Amounts in Thousands) |   |   |              |
| <b>Investment Type</b>                 | <b>Fair Value<br/>Hierarchy<br/>Level 1</b> | <b>Other<br/>Measurement<br/>Method</b> | <b>Total</b> |
| <b>Governmental Activities</b>         |   |   |              |
| Money Market Mutual Funds              | \$  | \$ 41,342                               | \$ 41,342    |
| U.S. Treasuries                        |   | 8,490                                   | 8,490        |
| U.S. Government Agency Obligations     | 41,743                                      | 19,888                                  | 61,631       |
| Government Investment Pools            |   | 39,859                                  | 39,859       |
| Total Governmental Activities          | \$ 41,743                                   | \$ 109,579                              | \$ 151,322   |
| <b>Business Type Activities</b>        |   |   |              |
| Money Market Mutual Funds              | \$  | \$ 27,691                               | \$ 27,691    |
| U.S. Treasuries                        | 33,989                                      |   | 33,989       |
| U.S. Government Agency Obligations     | 311,359                                     |   | 311,359      |
| Government Investment Pools            |   | 1,182,162                               | 1,182,162    |
| Repurchase Agreements                  |   | 85,763                                  | 85,763       |
| Total Business-Type Activities         | \$ 345,348                                  | \$ 1,295,616                            | \$ 1,640,964 |

Government securities and government sponsored entity investments of \$387.1 million with maturities of one year or more are valued at quoted market prices (Level 1 input).

As of Aug. 31, 2022, TxDOT and GPTC also have the following type of investments which are excluded from measurement at fair value according to GASB 72.

- TxDOT and GPTC had investments in money market funds, overnight repurchase agreement pool (REPO), and government investment pools of \$1.4 billion with maturities less than one year valued at amortized cost.

#### *Custodial Credit Risk*

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, TxDOT will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. TxDOT and GPTC investment policies state that all securities purchased shall be conducted on a delivery-versus-payment (DVP) basis and shall be protected through the use of a third-party custodian/safekeeping agent, which may be a Trustee.

#### *Credit Risk*

Direct credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. TxDOT and GPTC investment policies prohibit TxDOT and GPTC from entering into long-term investment agreements or other non-DVP investment transactions with a final maturity or termination date of longer than six months with any financial institution that initially has a long-term rating category of less than "A" and that does not have at least one long-term rating of at least "AA" by a nationally recognized statistical rating organization (NRSRO). All investments made by TxDOT and GPTC have been through the list of qualified financial institutions approved by TxDOT and GPTC.



As of Aug. 31, 2022, TxDOT's and GPTC's investments had the following ratings:

| <b>Investment Credit Ratings</b>                |                     |                |                              |              |  |
|---|---------------------|----------------|------------------------------|--------------|--|
| August 31, 2022 (Amounts in Thousands)          |                     |                |                              |              |  |
| <b>Investment Type</b>                          | <b>Valuation</b>    | <b>Moody's</b> | <b>Standard &amp; Poor's</b> | <b>Fitch</b> |  |
| <b>Governmental Activities</b>                  |                     |                |                              |              |  |
| <i>Money Market Mutual Funds</i>                |                     |                |                              |              |  |
| BlackRock Federal Funds                         | \$ 10,063           | Aaa-mf         | AAAm                         | NR           |  |
| Morgan Stanley Instl Liquidity Government Funds | 31,279              | Aaa-mf         | AAAm                         | AAAmmf       |  |
| <i>Government Sponsored Entities</i>            |                     |                |                              |              |  |
| Federal Home Loan Bank                          | 23,031              | Aaa            | AA+                          | NR           |  |
| Federal Home Loan Bank Discount Note            | 14,895              | P-1            | A-1+                         | NR           |  |
| Federal National Mortgage Association           | 4,532               | Aaa            | AA+                          | AAA          |  |
| Federal Home Loan Mortgage Corporation          | 14,180              | Aaa            | AA+                          | AAA          |  |
| Federal Farm Credit Banks                       | 4,993               | Aaa            | AA+                          | AAA          |  |
| <i>Government Securities</i>                    |                     |                |                              |              |  |
| U.S. Treasury Notes                             | 8,490               | Aaa            | AA+u                         | AAAu         |  |
| <i>Government Investment Pools</i>              |                     |                |                              |              |  |
| Logic   | 39,859              | NR             | AAAm                         | NR           |  |
| <b>Total Governmental Activities</b>            | <b>\$ 151,322</b>   |                |                              |              |  |
| <b>Business-Type Activities</b>                 |                     |                |                              |              |  |
| <i>Money Market Mutual Funds</i>                |                     |                |                              |              |  |
| Fidelity Treasury Money Market Fund             | \$ 1,764            | AAA-mf         | AAAm                         | NR           |  |
| JPMorgan US Government Fund                     | 20,004              | Aaa-mf         | AAAm                         | AAAmmf       |  |
| Morgan Stanley Instl Liquidity Government Fund  | 2,157               | Aaa-mf         | AAAm                         | AAAmmf       |  |
| Goldman Sachs Financial Square Government Fund  | 3,766               | Aaa-mf         | AAAm                         | NR           |  |
| <i>Government Sponsored Entities</i>            |                     |                |                              |              |  |
| Federal Farm Credit Banks                       | 18,201              | Aaa            | AA+                          | AAA          |  |
| Federal Home Loan Bank                          | 158,377             | Aaa            | AA+                          | NR           |  |
| Federal Home Loan Mortgage Corporation          | 134,781             | Aaa            | AA+                          | AAA          |  |
| <i>Government Securities</i>                    |                     |                |                              |              |  |
| U.S. Treasury Notes                             | 33,989              | Aaa            | AA+u                         | AAAu         |  |
| <i>Government Investment Pools</i>              |                     |                |                              |              |  |
| TexPool   | 40,696              | NR             | AAAm                         | NR           |  |
| TexPool Prime                                   | 1,141,466           | NR             | AAAm                         | NR           |  |
| <i>Repurchase Agreement</i>                     |                     |                |                              |              |  |
| Repo (TTSTC)                                    | 85,763              | NR             | AAAf                         | NR           |  |
| <b>Total Business-Type Activities</b>           | <b>\$ 1,640,964</b> |                |                              |              |  |
| NR= Not Rated                                   |                     |                |                              |              |  |

### Concentration of Credit Risk

- Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Assets held in each portfolio shall be diversified to minimize the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. As of Aug. 31, 2022, the following investments exceeded five percent of the total portfolio of Toll Custody or I-35E (portfolios within the State Highway Fund), Central Texas Turnpike System, SH249 System or GPTC: Money Market Funds, Federal Home Loan Bank, Federal Home Loan Bank Discount Note, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Federal Farm Credit Banks, U.S. Treasury Notes, Repurchase Agreement, Logic and TexPool Prime.

TxDOT and GPTC both address diversification in TxDOT's investment policy. Diversification strategies shall be determined and revised periodically by the investment officer for all funds.

### Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. TxDOT and GPTC have addressed interest rate risk in its various accounts by matching as closely as possible anticipated cash flows with income and return of principal on investments. In general, all securities held by TxDOT and GPTC are anticipated to be held to maturity, thereby avoiding interest rate risk due to an early redemption. Investment maturities are noted in the investment fair value table.

### NOTE 4 – LOANS RECEIVABLE

TxDOT makes loans to various local governments and regional mobility authorities. The State Infrastructure Bank (SIB) operates as a revolving loan fund, where the account balance grows through the monthly interest earned and repaid principal and interest payments. SIB financial assistance can be provided to any public or private entity authorized to construct, maintain or finance an eligible transportation project.

TxDOT also makes project loans through project development agreements. In these cases, TxDOT funds the construction costs of a regional mobility authority owned project up front and gets repayment over an established loan term. The loan receivable is recorded as TxDOT incurs eligible expenditures on the project. The NTTA loan was paid off early on October 11, 2022.

The loan receivable balances as of Aug. 31, 2022 are as follows.

| <b>Loans and Contracts</b>                   |                             |                                |
|--|-----------------------------|--------------------------------|
| August 31, 2022 (Amounts in Thousands)       |                             |                                |
| <b>Fund</b>                                  | <b>Loans<br/>Receivable</b> | <b>Due Within One<br/>Year</b> |
| Highway Fund - Toll Equity and Project Loans | \$ 72,086                   | \$ 2,076                       |
| Highway Fund - NTTA                          | 91,290                      | 91,290                         |
| Highway Fund - State Infrastructure Bank     | 151,448                     | 8,456                          |
| Governmental Funds Total                     | \$ <u>314,824</u>           | \$ <u>101,822</u>              |

## NOTE 5 – LONG-TERM LIABILITIES

### Long-Term Liabilities

Long-term liabilities for fiscal 2022 are presented in the table below:

| <b>Long-Term Liabilities Activity</b>   |  |   |                     |                    |   |  |                                       |
|---|--|---|---------------------|--------------------|---|--|---------------------------------------|
| For the Fiscal Year Ended August 31, 2022 (Amounts in Thousands)  |  |   |                     |                    |   |  |                                       |
| <b>Primary Government</b>   | <b>Beginning<br/>Balance<br/>9/01/2021</b> | <b>Adjustments &amp;<br/>Reclassifications*</b> | <b>Reductions</b>   | <b>Additions**</b> | <b>Ending<br/>Balance<br/>8/31/2022</b> | <b>Amounts<br/>Due<br/>Within<br/>One Year</b> | <b>Amounts<br/>Due<br/>Thereafter</b> |
| <b>Governmental Activities</b>  |  |   |                     |                    |   |  |                                       |
| Compensable Leave   | \$ 113,657                                 | \$  | \$ (117,078)        | \$ 117,838         | \$ 114,417                              | \$ 83,470                                      | \$ 30,947                             |
| General Obligation Bonds  | 9,765,232                                  | (59,273)  | (279,465)           |                    | 9,426,494                               | 351,549  | 9,074,945                             |
| General Obligation Bonds -<br>Direct Placements   | 282,941                                    | (1,986)   |                     |                    | 280,955                                 | 1,986  | 278,969                               |
| Revenue Bonds   | 3,499,875                                  | 113,427   | (260,480)           |                    | 3,352,822                               | 301,002  | 3,051,820                             |
| Revenue Bonds - Direct<br>Placements  | 150,000                                    | (150,000)                                       |                     |                    |   |  |                                       |
| Pollution Remediation<br>Obligations  | 10,174                                     |   | (17,807)            | 15,849             | 8,216                                   | 8,216  |                                       |
| Pass Through Tolls Payable  | 584,345                                    |   | (66,526)            | 11,066             | 528,885                                 | 141,677  | 387,208                               |
| Notes and Loans - Direct<br>Borrowings  | 647,873                                    | (25)  | (13,415)            | 1,399              | 635,832                                 | 13,714   | 622,118                               |
| Contracts Payable   | 28,000                                     |   | (4,000)             |                    | 24,000                                  | 4,000  | 20,000                                |
| Right-to-Use Lease Obligations  |  | 16,167  | (3,498)             | 16,002             | 28,671                                  | 2,860  | 25,811                                |
| Governmental Activities - Long-<br>Term Liabilities   | <u>\$ 15,082,097</u>                       | <u>\$ (81,690)</u>                              | <u>\$ (762,269)</u> | <u>\$ 162,154</u>  | <u>\$ 14,400,292</u>                    | <u>\$ 908,474</u>                              | <u>\$ 13,491,818</u>                  |
| <b>Business-Type Activities</b>   |  |   |                     |                    |   |  |                                       |
| Revenue Bonds Payable   | \$ 7,421,138                               | \$ (245,146)                                    | \$ (63,835)         | \$ 63,444          | \$ 7,175,601                            | \$ 93,222                                      | \$ 7,082,379                          |
| Revenue Bonds - Direct<br>Placements  | 83,775                                     | 225,000   |                     |                    | 308,775                                 |  | 308,775                               |
| Notes and Loans Payable   | 626,393                                    | (10,531)  |                     |                    | 615,862                                 | 615,862  |                                       |
| Business-Type Activities - Long-<br>Term Liabilities  | <u>\$ 8,131,306</u>                        | <u>\$ (30,677)</u>                              | <u>\$ (63,835)</u>  | <u>\$ 63,444</u>   | <u>\$ 8,100,238</u>                     | <u>\$ 709,084</u>                              | <u>\$ 7,391,154</u>                   |
| *Includes current year amortization of premiums and discounts, remarketing conversion of SHF Series 2014-B and CTTS Series 2020-B, and the transition balances of right-to-use lease obligations due to GASB 87 implementation. |  |   |                     |                    |   |  |                                       |
| **Includes current year amortization of accretion.  |  |   |                     |                    |   |  |                                       |

For long-term liabilities other than debt related to governmental activities, the State Highway Fund typically is used to liquidate liabilities in prior years.

### Employees' Compensable Leave

Annual leave, commonly referred to as vacation leave, and other compensated absences with similar characteristics are accrued as a liability as the benefits are earned by TxDOT employees. Employees accrue vacation time at a rate of 8 to 21 hours per month depending on years of state employment. The maximum number of hours that may be carried forward to the next fiscal year ranges from 180 hours to 532 hours based on years of state service.

Overtime, under the Fair Labor Standards Act and state laws, can be accumulated in lieu of immediate payment as compensatory leave (at one-and-one-half hours for each overtime hour worked) for nonexempt, nonemergency employees to a maximum of 240 hours. All overtime exceeding 240 hours must be paid with the next regular payroll. At termination or death, all overtime balances must be paid in full. Unpaid overtime is included in the calculation of current portion on long-term liabilities for each employee because it may

be used like compensatory time or be paid.

Compensatory leave is allowed for exempt employees not eligible for overtime pay. This leave is accumulated on an hour-for-hour basis and must be taken within one year from date earned or it lapses. There is no death or termination benefit for compensatory leave. Compensatory leave is reported as a current liability. No liability is recorded for non-vesting accumulating rights to receive sick leave benefits.

### ***Notes and Loans Payable***

As of Aug. 31, 2022, three notes and loans agreements are outstanding. The TIFIA and TPFA direct borrowing loans are governmental activities, and the Bond Anticipation Note is a business-type activity.

#### **TIFIA**

The Commission entered into a secured loan agreement with the United States Department of Transportation (USDOT) through the Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA). USDOT agreed to lend the Commission up to \$285.0 million to pay a portion of the eligible project costs related to the initial phase of the IH-35E project. The outstanding direct loan of \$323.3 million contains various provisions resulting from certain events of default with various remedies. In particular, in the case of a payment default, interest is charged on the overdue balance of the note at the default rate (an additional 2 percent) until the payment default is cured (overdue balance repaid). In the case of project abandonment, the default rate is charged until the note is paid in full. In the case of certain bankruptcy related event defaults, the note becomes secured by a first priority security interest in the trust estate.

#### **TPFA**

The Commission entered into an agreement with the Texas Public Finance Authority (TPFA) on Mar. 11, 2021. TPFA issued Taxable Series 2021 Lease Revenue Bonds for the Texas Department of Transportation – Austin Campus Consolidation Project. The bonds have an aggregate principal amount of \$325.7 million for the purpose of financing certain costs of the Campus Consolidation Project. The agreement obligates the Commission to make rent payments to TPFA in amounts sufficient to pay, among other things, the principal of, premium and interest on the TPFA 2021 bonds. Although the agreement does not prescribe the source for the Commission's payments to be made thereunder, the Texas Legislature has appropriated moneys from the State Highway Fund to be used by the Commission to make payments to TPFA under the agreement for TPFA's debt service payments due on their Series 2021 bonds during fiscal year 2022. The bond will be paid in full in 19 years, or fiscal year 2041.

The outstanding direct loan of \$312.3 million, which includes an unamortized premium of \$250.9 thousand, contains the following acceleration clause; (a) upon the occurrence of and during the continuation of any event of default arising from the failure to make a required payment, upon the occurrence of and during the continuation of an event of non-appropriation, or upon 30 days prior to the expiration of the commitment of any provider of liquidity or credit enhancement for any parity debt which such parity debt is outstanding, TPFA may take any one or more of the following remedial actions: (i) declare all of the remaining unpaid principal portion of the payments due under this agreement to be immediately due and payable solely to the extent the Legislature has appropriated funds for such payment; or (ii) enter and take possession of all or any portion of the project under this agreement without terminating this agreement, and sublease all or any part of such project for the account of TxDOT; or (iii) terminate this agreement, enter and take possession of all or any portion of the project, and, at TPFA's discretion (to the extent permitted by law) sell equipment acquired as part of a project, or lease all or any portion of a project.

As of Aug. 31, 2022, the note's debt service requirements for governmental activity notes and loans payable are as follows.

| <b>Notes and Loans - Direct Borrowing Loans (Amounts in Thousands)</b> |                  |                  |              |         |
|--|------------------|------------------|--------------|---------|
| <b>Debt Service Requirements</b>                                       |                  |                  |              |         |
| <b>Governmental Activities</b>   |                  |                  |              |         |
| <b>Year</b>  | <b>Principal</b> | <b>Interest*</b> | <b>Total</b> |         |
| 2023   | \$ 13,690        | \$ 15,295        | \$           | 28,985  |
| 2024   | 13,965           | 15,030           |              | 28,995  |
| 2025   | 14,245           | 14,725           |              | 28,970  |
| 2026   | 14,470           | 14,513           |              | 28,983  |
| 2027   | 15,478           | 14,329           |              | 29,807  |
| 2028-2032  | 105,624          | 66,501           |              | 172,125 |
| 2033-2037  | 148,704          | 52,110           |              | 200,814 |
| 2038-2042  | 184,386          | 29,600           |              | 213,986 |
| 2043-2047  | 58,534           | 13,184           |              | 71,718  |
| 2048-2052  | 66,485           | 5,233            |              | 71,718  |
| Total  | \$ 635,581       | \$ 240,520       | \$           | 876,101 |
| Unamortized Premium  | 251              |                  |              | 251     |
| Total Requirements   | \$ 635,832       | \$ 240,520       | \$           | 876,352 |
| *Fixed interest rate is 2.58 percent for the TIFIA loan.               |                  |                  |              |         |

#### Bond Anticipation Notes (BANs)

The Grand Parkway Transportation Corporation issued a bond anticipation note for the purpose of providing funds to pay the costs of extending, expanding and improving the Grand Parkway System. Proceeds from the note will also be used to pay costs of issuance. As of Aug. 31, 2022, the note's debt service requirements are as follows.

| <b>BANs – Debt Service Requirements</b> |                  |                  |              |         |
|---|------------------|------------------|--------------|---------|
| <b>(Amounts in Thousands)</b>           |                  |                  |              |         |
| <b>Business-Type Activities</b>         |                  |                  |              |         |
| <b>Year</b>                             | <b>Principal</b> | <b>Interest*</b> | <b>Total</b> |         |
| 2023                                    | \$ 605,330       | \$ 25,222        | \$           | 630,552 |
| Total                                   | \$ 605,330       | \$ 25,222        | \$           | 630,552 |
| Unamortized Premium                     | 10,532           |                  |              | 10,532  |
| Total Requirements                      | \$ 615,862       | \$ 25,222        | \$           | 641,084 |
| * Fixed interest rate at 5.00 percent.  |                  |                  |              |         |

### ***Pledged Future Revenues***

Pledged revenues are those specific revenues that are formally committed to directly secure the payment of debt service. The table that follows provides information on pledged revenue and pledged future revenue of the self-supporting general obligation bonds, revenue bonds, TIFIA loans and BANs.

| Pledged Future Revenue   |                         |                    |                               |  |               |  |
|--|-------------------------|--------------------|-------------------------------|--|---------------|--|
| (Amounts in Thousands)   | Governmental Activities |                    | Business-Type Activities      |  |               |  |
|  | Texas Mobility Fund     | State Highway Fund | Central Texas Turnpike System | Grand Parkway Transportation Corporation | SH 249 System |  |
| Pledged Revenue Required for Future Principal and Interest on Existing Debt      | \$ 8,653,704            | \$ 4,008,560       | \$ 4,358,997                  | \$ 8,670,784                             | \$ 722,529    |  |
| Term of Commitment Ending  | 10/1/2044               | 5/1/2052           | 8/15/2042                     | 10/1/2052                                | 8/1/2057      |  |
| Percentage of Revenue Pledged  | 100%                    | 100%               | 100%                          | 100%                                     | 98%           |  |
| Current Year Pledged Revenue   | \$ 509,390              | \$ 9,125,932 *     | \$ 263,968                    | \$ 252,806                               | \$ 16,262     |  |
| Current Year Principal and Interest Paid   | \$ 378,405              | \$ 413,806         | \$ 139,167                    | \$ 193,823                               | \$ 7,799      |  |
| * Includes pledged revenue of other state agencies using the state highway fund. |                         |                    |                               |  |               |  |

### ***Pass-Through Tolls Payable***

The balance recorded as pass-through tolls payable relates to the Commission's obligations under executed pass-through financing agreements. As of Aug. 31, 2022, there were 27 active pass-through financing agreements finalized and executed by the Commission. Under these agreements, an outside party (usually a local government) pays for all or a portion of a highway project. In return, TxDOT contractually agrees to make reimbursements after the improvement is open for traffic. Reimbursements are subject to minimum and maximum annual thresholds and are variable within those thresholds based on the volume of traffic on the project roadway. The agreements covering multiple projects generally contain a provision allowing for reimbursements to begin as each project is open for traffic.

The obligation to make future reimbursement payments is recognized as pass-through tolls payable as the underlying highway project is constructed. Accruals of payables continue until the liability amount reaches the total TxDOT reimbursement obligation specified in the agreement. If the cost of the completed underlying highway project is less than the total TxDOT reimbursement obligation, TxDOT will accrue the additional obligation amount upon that project's completion and acceptance. The estimated debt service requirements related to pass-through toll contracts executed as of Aug. 31, 2022 are as follows.

| <b>Pass-Through Tolls Payable - Debt Service Requirements</b>  |                  |         |
|--|------------------|---------|
| (Amounts in Thousands)   |                  |         |
| <b>Governmental Activities</b>   |                  |         |
| <b>Year</b>  | <b>Principal</b> |         |
| 2023   | \$               | 141,677 |
| 2024   |                  | 95,920  |
| 2025   |                  | 76,020  |
| 2026   |                  | 67,573  |
| 2027   |                  | 51,241  |
| 2028-2032  |                  | 96,454  |
| Total Requirements*  | \$               | 528,885 |
| * There is no interest component to the pass-through toll reimbursements. This projection assumes the Commission's maximum potential obligation. |                  |         |

### ***Contracts Payable***

TxDOT is party to a financial assistance arrangement with Fort Bend County related to the expansion of Farm to Market Road 1093. The terms of this agreement are such that in return for Fort Bend County funding the costs of the project up-front, TxDOT will reimburse Fort Bend County \$4.0 million per year for 10 years following substantial completion of Westpark Tollway Phase I and opening of the roadway to traffic. Construction on Westpark Tollway Phase I was completed in November 2017. The obligation to make future reimbursements is recognized as contracts payable. The estimated debt service requirements related to this arrangement are as follows.

| <b>Contracts Payable – Debt Service Requirements</b><br>(Amounts in Thousands) |                  |        |
|--|------------------|--------|
| <b>Governmental Activities</b>   |                  |        |
| <b>Year</b>  | <b>Principal</b> |        |
| 2023   | \$               | 4,000  |
| 2024   |                  | 4,000  |
| 2025   |                  | 4,000  |
| 2026   |                  | 4,000  |
| 2027   |                  | 4,000  |
| 2028   |                  | 4,000  |
| Total Requirements*  | \$               | 24,000 |
| *There is no interest component to this contract payable.                      |                  |        |

### ***Pollution Remediation Obligations***

TxDOT is responsible for the cleanup and remediation of several polluted sites. Regulatory requirements established by federal and state law obligate TxDOT to perform these pollution remediation activities. Historical cost averages were used to calculate the estimated pollution remediation obligation liabilities. The table below details the various compliance requirements under which TxDOT is incurring pollution remediation costs and is recording a pollution remediation liability.

| <b>Pollution Remediation Obligations - Disaggregation of Total Liability (Amounts in Thousands)</b><br>As of August 31, 2022 |                          |       |
|--|--------------------------|-------|
| <b>Governmental Activities</b>   | <b>Obligation Amount</b> |       |
| Comply with Federal and State asbestos requirements  | \$                       | 2,062 |
| Comply with Federal and State OSHA requirements for lead based paint   |                          | 4,142 |
| Comply with Federal Safe Drinking Water Act requirements   |                          | 199   |
| Comply with State Leaking Petroleum Storage Tank (LPST) cleanup requirements   |                          | 108   |
| Comply with State cleanup requirements for releases from non- LPST sources   |                          | 5     |
| Comply with OSHA Health and Safety Plan (HASP) requirements  |                          | 559   |
| Comply with Waste Disposal regulations   |                          | 1,141 |
| Total  | \$                       | 8,216 |

Federal reimbursements are expected to offset a portion of these estimated costs. When realizable, the federal reimbursements are recognized as federal revenue. The potential for changes due to price increases or reductions, technology or applicable laws or regulations was incorporated into these estimates.

***Right-to-Use Lease Obligations***

TxDOT is reporting lease obligations with the implementation of GASB 87 in fiscal 2022. There was a total of 26 active lessee leases as of Aug. 31, 2022. The current and non-current lease obligation portion associated with these leases is \$2.9 million and \$25.8 million respectively. The estimated debt service requirements related to the leases executed as of Aug. 31, 2022, are as follows.

| <b>Lease - Debt Service Requirements</b><br>(Amounts in Thousands) |                  |               |                 |                  |
|--|------------------|---------------|-----------------|------------------|
| <b>Governmental Activities</b>                                     |                  |               |                 |                  |
| <b>Year</b>  | <b>Principal</b> |               | <b>Interest</b> | <b>Total</b>     |
| 2023   | \$               | 2,860         | \$ 434          | \$ 3,294         |
| 2024   |                  | 2,467         | 419             | 2,886            |
| 2025   |                  | 2,530         | 383             | 2,913            |
| 2026   |                  | 2,527         | 346             | 2,873            |
| 2027   |                  | 1,889         | 310             | 2,199            |
| 2028-2032  |                  | 7,370         | 1,159           | 8,529            |
| 2033-2037  |                  | 8,970         | 415             | 9,385            |
| 2038-2042  |                  | 58            | 3               | 61               |
| Total Requirements   | \$               | <u>28,671</u> | \$ <u>3,469</u> | \$ <u>32,140</u> |



## NOTE 6 – BONDED INDEBTEDNESS

As discussed more fully in the sections that follow, the Commission and TxDOT's blended component units are authorized through various statutory and constitutional provisions to issue general obligation and revenue bonds as well as private activity bonds.

As of Aug. 31, 2022, the Commission had 33 bond issues outstanding. The Texas Private Activity Bond Surface Transportation Corporation (TxPABST), a blended component unit of TxDOT, had seven conduit debt bond issues outstanding as of Aug. 31, 2022. The Grand Parkway Transportation Corporation (GPTC), another blended component unit of TxDOT, had nine revenue bond issuances outstanding as of Aug. 31, 2022. The debt service payments associated with debt issued by TxPABST and GPTC are not the responsibility of the state of Texas, however due to the relationship between TxDOT and these entities, their disclosures, and as appropriate, financial balances associated with the outstanding bonds are included in this report.

| Miscellaneous Bond Information  |                            |             |                            |               |              |                    |            |
|---|----------------------------|-------------|----------------------------|---------------|--------------|--------------------|------------|
| (Amounts in Thousands)  |                            |             |                            |               |              |                    |            |
| Description of Issue  | Bonds<br>Issued<br>to Date | Date Issued | Range of<br>Interest Rates | Maturities    |              |                    |            |
|   |                            |             |                            | First<br>Year | Last<br>Year | First Call<br>Date |            |
| GOVERNMENTAL ACTIVITIES   |                            |             |                            |               |              |                    |            |
| General Obligation Bonds  |                            |             |                            |               |              |                    |            |
| Texas Mobility Fund   |                            |             |                            |               |              |                    |            |
| Series 2006-B Variable Rate Bonds   | \$ 150,000                 | 12/13/2006  | variable                   |               | 2036         | 2036               | *          |
| Series 2009-A Taxable Fixed Rate Bonds  | 1,208,495                  | 08/26/2009  | 5.37%                      | 5.52%         | 2029         | 2039               | *          |
| Series 2014 Fixed Rate Refunding Bonds  | 973,775                    | 07/02/2014  | 4.00%                      | 5.00%         | 2016         | 2034               | 04/01/2024 |
| Series 2014-A Fixed Rate Refunding Bonds  | 1,580,160                  | 12/18/2014  | 4.00%                      | 5.00%         | 2017         | 2044               | 10/01/2024 |
| Series 2014-B Put Bonds   | 250,000                    | 12/18/2014  | 0.65%                      | 0.65%         | 2040         | 2041               | 10/01/2025 |
| Series 2015-A Fixed Rate Refunding Bonds  | 911,360                    | 09/30/2015  | 3.20%                      | 5.00%         | 2018         | 2036               | 10/01/2025 |
| Series 2015-B Fixed Rate Refunding Bonds  | 254,105                    | 10/07/2015  | 5.00%                      | 5.00%         | 2031         | 2036               | 10/01/2025 |
| Series 2017-A Fixed Rate Refunding Bonds  | 296,020                    | 02/01/2017  | 5.00%                      | 5.00%         | 2030         | 2034               | 10/01/2027 |
| Series 2017-B Fixed Rate Refunding Bonds  | 474,135                    | 02/01/2017  | 5.00%                      | 5.00%         | 2029         | 2036               | 10/01/2027 |
| Series 2020 Taxable Fixed Rate Refunding Bonds  | 1,270,690                  | 08/05/2020  | 0.26%                      | 2.47%         | 2021         | 2044               | *          |
| Texas Highway Improvement   |                            |             |                            |               |              |                    |            |
| Series 2010-A Taxable Fixed Rate Bonds  | 815,420                    | 09/29/2010  | 3.20%                      | 4.68%         | 2019         | 2040               | *          |
| Series 2012-A Fixed Rate Bonds **   | 818,635                    | 12/18/2012  | 5.00%                      | 5.00%         | 2019         | 2042               | 04/01/2022 |
| Series 2014 Fixed Rate Bonds  | 1,260,000                  | 10/15/2014  | 2.00%                      | 5.00%         | 2015         | 2044               | 04/01/2024 |
| Series 2016 Fixed Rate Bonds  | 615,000                    | 05/04/2016  | 5.00%                      | 5.00%         | 2017         | 2046               | 04/01/2026 |
| Series 2016-A Fixed Rate Bonds  | 588,755                    | 11/02/2016  | 4.00%                      | 5.00%         | 2018         | 2046               | 04/01/2026 |
| Series 2019 Taxable Fixed Rate Refunding Bonds  | 705,550                    | 12/11/2019  | 2.60%                      | 4.00%         | 2021         | 2044               | 04/01/2029 |
| Series 2020 Taxable Fixed Rate Refunding Bonds  | 794,235                    | 07/08/2020  | 2.56%                      | 5.00%         | 2022         | 2042               | *          |
| Revenue Bonds   |                            |             |                            |               |              |                    |            |
| State Highway Fund  |                            |             |                            |               |              |                    |            |
| Series 2008 Fixed Rate Bonds  | 162,995                    | 08/19/2008  | 3.50%                      | 5.25%         | 2010         | 2028               | 04/01/2018 |
| Series 2010 Taxable Fixed Rate Bonds  | 1,500,000                  | 08/05/2010  | 5.03%                      | 5.18%         | 2026         | 2030               | *          |
| Series 2014-A Fixed Rate Refunding Bonds  | 1,157,795                  | 04/02/2014  | 4.75%                      | 5.00%         | 2017         | 2034               | 04/01/2024 |
| Series 2014-B Variable Rate Bonds   | 300,000                    | 03/25/2022  | variable                   |               | 2032         | 2032               | *          |
| Series 2015 Fixed Rate Refunding Bonds  | 781,080                    | 07/22/2015  | 3.00%                      | 5.00%         | 2017         | 2026               | n/a        |
| Series 2016-A Fixed Rate Bonds  | 601,210                    | 10/26/2016  | 3.00%                      | 5.00%         | 2017         | 2030               | 10/01/2026 |
| Series 2016-B Fixed Rate Bonds ***  | 89,370                     | 10/26/2016  | 0.43%                      | 0.56%         | 2025         | 2026               | n/a        |
| Series 2020 Taxable Fixed Rate Refunding Bonds  | 341,425                    | 07/01/2020  | 4.00%                      | 4.00%         | 2030         | 2033               | *          |
| Governmental Activities Total   | \$ 17,900,210              |             |                            |               |              |                    |            |
| * Bonds are subject to redemption prior to their respective maturities at the option of the Commission. |                            |             |                            |               |              |                    |            |
| ** Bonds are not outstanding as of 08/31/2022.  |                            |             |                            |               |              |                    |            |
| *** Bonds were converted to fixed rate bonds on Oct. 1, 2021.   |                            |             |                            |               |              |                    |            |

| Miscellaneous Bond Information (Concluded)  |                             |             |                            |       |               |              |                    |            |
|---|-----------------------------|-------------|----------------------------|-------|---------------|--------------|--------------------|------------|
| (Amounts in Thousands)  |                             |             |                            |       |               |              |                    |            |
| Description of Issue  | Bonds<br>Issued<br>to Date  | Date Issued | Range of<br>Interest Rates |       | Maturities    |              |                    |            |
|   |                             |             |                            |       | First<br>Year | Last<br>Year | First Call<br>Date |            |
| <b>BUSINESS-TYPE ACTIVITIES</b>   |                             |             |                            |       |               |              |                    |            |
| <b>Revenue Bonds</b>  |                             |             |                            |       |               |              |                    |            |
| <b>Central Texas Turnpike System</b>  |                             |             |                            |       |               |              |                    |            |
| First Tier Revenue Bonds Series 2002-A  |                             |             |                            |       |               |              |                    |            |
| Non-Callable Capital Appreciation Bonds***  | \$ 765,139                  | 08/29/2002  | 4.47%                      | 5.75% | 2012          | 2030         |                    | n/a        |
| Callable Capital Appreciation Bonds**   | 325,494                     | 08/29/2002  | 6.00%                      | 6.10% | 2025          | 2038         |                    | 08/15/2012 |
| First Tier Revenue Refunding Bonds, Series 2012-A   | 585,330                     | 11/27/2012  | 4.00%                      | 5.00% | 2038          | 2041         |                    | 08/15/2022 |
| First Tier Revenue Refunding Bonds, Series 2015-B   |                             |             |                            |       |               |              |                    |            |
| Current Interest Bonds and Term Bonds   | 198,025                     | 02/04/2015  | 5.00%                      | 5.00% | 2032          | 2037         |                    | 08/15/2024 |
| Capital Appreciation Bonds***   | 128,504                     | 02/04/2015  | 4.36%                      | 4.38% | 2036          | 2037         |                    | 08/15/2024 |
| Second Tier Revenue Refunding Bonds, Series 2015-C  | 1,157,320                   | 02/04/2015  | 5.00%                      | 5.00% | 2022          | 2042         |                    | 08/15/2024 |
| First Tier Revenue Refunding Bonds, Series 2020-A   | 179,475                     | 03/05/2020  | 3.00%                      | 5.00% | 2039          | 2040         |                    | 08/15/2030 |
| First Tier Revenue Refunding Variable Rate Bonds, Series 2020-B   | 225,000                     | 03/05/2020  | variable                   |       | 2042          | 2042         |                    | *          |
| First Tier Revenue Refunding Bonds Taxable, Series 2020-C   | 279,305                     | 03/05/2020  | 3.03%                      | 3.03% | 2031          | 2041         |                    | 08/15/2030 |
| <b>Grand Parkway Transportation Corporation</b>   |                             |             |                            |       |               |              |                    |            |
| First Tier Revenue Bonds, Series 2013-A   | 200,000                     | 08/01/2013  | 5.13%                      | 5.50% | 2031          | 2053         |                    | 10/01/2023 |
| Subordinate Tier Toll Revenue Bonds, Series 2013-B  |                             |             |                            |       |               |              |                    |            |
| Convertible Capital Appreciation Bonds***   | 460,412                     | 08/01/2013  | 4.95%                      | 5.85% | 2029          | 2048         |                    | 10/01/2028 |
| Current Interest Bonds**  | 1,137,935                   | 08/01/2013  | 5.00%                      | 5.25% | 2048          | 2053         |                    | 10/01/2023 |
| Subordinate Tier Toll Revenue Bonds, Series 2013-E  | 361,810                     | 08/01/2013  | 5.18%                      | 5.18% | 2036          | 2042         |                    | *          |
| Subordinate Tier Toll Revenue Bonds, Series 2016  | 83,775                      | 12/07/2016  | 2.20%                      | 2.20% | 2023          | 2023         |                    | n/a        |
| Subordinate Tier Toll Revenue Bonds, Series 2018-A  | 712,100                     | 05/30/2018  | 5.00%                      | 5.00% | 2030          | 2048         |                    | 04/01/2028 |
| Subordinate Tier Toll Revenue Bonds, Series 2018-B  | 166,525                     | 05/30/2018  | 5.00%                      | 5.00% | 2049          | 2052         |                    | 10/01/2023 |
| First Tier Toll Revenue Refunding Bonds Taxable, Series 2020-A  | 220,415                     | 02/27/2020  | 2.11%                      | 3.36% | 2026          | 2052         |                    | 04/01/2030 |
| Subordinate Tier Toll Revenue Refunding Bonds Taxable, Series 2020-B                                    | 1,293,260                   | 02/27/2020  | 1.53%                      | 3.24% | 2020          | 2052         |                    | 04/01/2030 |
| First Tier Toll Revenue Refunding Bonds, Series 2020-C  | 793,385                     | 02/27/2020  | 3.00%                      | 5.00% | 2033          | 2050         |                    | n/a        |
| <b>SH249 System</b>   |                             |             |                            |       |               |              |                    |            |
| First Tier Toll Revenue Bonds, Series 2019A   |                             |             |                            |       |               |              |                    |            |
| Current Interest Bonds  | 144,085                     | 02/26/2019  | 5.00%                      | 5.00% | 2053          | 2057         |                    | 02/01/2029 |
| Capital Appreciation Bonds***   | 109,216                     | 02/26/2019  | 3.39%                      | 5.10% | 2028          | 2053         |                    | 02/01/2029 |
| First Tier Toll Revenue Bonds, Taxable Series 2019B   | <u>12,795</u>               | 02/26/2019  | 4.55%                      | 4.70% | 2030          | 2033         |                    | 02/01/2029 |
| Business-Type Activities Total  | <u>9,539,305</u>            |             |                            |       |               |              |                    |            |
| Total   | <u><u>\$ 27,439,515</u></u> |             |                            |       |               |              |                    |            |
| * Bonds are subject to redemption prior to their respective maturities at the option of the Commission. |                             |             |                            |       |               |              |                    |            |
| ** Bonds are not outstanding as of 08/31/2022.  |                             |             |                            |       |               |              |                    |            |
| *** Bonds issued to date include interest accreted to principal.  |                             |             |                            |       |               |              |                    |            |

| <b>Changes in Bonds Payable (Amounts in Thousands)</b><br>For the Fiscal Year Ended August 31, 2022                                    |  |                      |                           |   |  |                                    |
|--|--|----------------------|---------------------------|---|--|------------------------------------|
| <b>Description</b>   | <b>Bonds<br/>Outstanding<br/>8/31/2021</b> | <b>Adjustments *</b> | <b>Bonds<br/>Issued**</b> | <b>Bonds<br/>Matured<br/>or Retired</b> | <b>Bonds<br/>Outstanding<br/>8/31/2022</b> | <b>Due<br/>Within<br/>One Year</b> |
| <b>Governmental Activities:</b>  |  |                      |                           |   |  |                                    |
| General Obligation Bonds   | \$ 9,765,232                               | \$ (59,273)          | \$                        | \$ (279,465)                            | \$ 9,426,494                               | \$ 351,549                         |
| General Obligation Bonds - Direct Placements   | 282,941                                    | (1,986)              |                           |   | 280,955                                    | 1,986                              |
| Revenue Bonds  | 3,499,875                                  | 113,427              |                           | (260,480)                               | 3,352,822                                  | 301,002                            |
| Revenue Bonds - Direct Placements  | 150,000                                    | (150,000)            |                           |   |  |                                    |
| Total Governmental Activities  | 13,698,048                                 | (97,832)             |                           | (539,945)                               | 13,060,271                                 | 654,537                            |
| <b>Business-Type Activities:</b>   |  |                      |                           |   |  |                                    |
| Revenue Bonds  | 7,421,138                                  | (245,146)            | 63,444                    | (63,835)                                | 7,175,601                                  | 93,222                             |
| Revenue Bonds - Direct Placements  | 83,775                                     | 225,000              |                           |   | 308,775                                    |                                    |
| Total Business-Type Activities   | 7,504,913                                  | (20,146)             | 63,444                    | (63,835)                                | 7,484,376                                  | 93,222                             |
| Total  | \$ 21,202,961                              | \$ (117,978)         | \$ 63,444                 | \$ (603,780)                            | \$ 20,544,647                              | \$ 747,759                         |
| * Includes current year amortization of premiums and discounts and remarketing conversion of SHF Series 2014-B and CTTS Series 2020-B. |  |                      |                           |   |  |                                    |
| ** Includes current year accretion.  |  |                      |                           |   |  |                                    |

### **General Obligation Bonds – General Comments**

The Texas Constitution authorizes the Commission to issue general obligation bonds backed by the full faith and credit of the state. As of Aug. 31, 2022, two general obligation bond programs were active. All general obligation bond issuances must be approved by the Texas Bond Review Board prior to issuance. The purpose and the sources for the repayment of debt service for each program are summarized as follows.

### **Texas Mobility Fund General Obligation Bond Program**

Texas Constitution, Article III, Section 49-k and Transportation Code, Chapter 201, Subchapter M authorize the Commission to issue general obligation bonds payable from a pledge of and lien on all or part of the money in the Mobility Fund. The Mobility Fund bonds are designed to be self-supporting, but the full faith and credit of the state is pledged in the event the revenue and money dedicated to the Mobility Fund is insufficient to pay debt service on the bonds. As of Aug. 31, 2022, major sources of pledged revenue to the Mobility Fund include driver license fees, motor vehicle inspection fees, certificate of title fees and driver record information fees.

The issuance of Mobility Fund bonds is subject to debt service coverage requirements. Prior to a Mobility Fund debt issuance, the Texas Comptroller of Public Accounts must certify that there will be sufficient future resources on deposit in the Mobility Fund to ensure 110 percent coverage of debt service requirements during the period that the debt will be outstanding. Subject to the debt service coverage requirement, the Mobility Fund constitutional provision does not limit the amount of obligations that may be issued under the program. The Mobility Fund program is currently established in the aggregate principal amount of \$7.5 billion outstanding at any one time. House Bill No. 2219 which was enacted during the regular session of the 87th Legislature and became effective on June 18, 2021, amended the authority to (i) eliminate the ability of the Commission to issue Program obligations for the purpose of providing participation by the State in the payment of part of the costs of constructing and providing publicly owned toll roads and (ii) authorize the Commission to issue Program obligations for certain transportation projects, as described herein, after May 1, 2021 and before January 1, 2027 in an aggregate principal amount not to exceed an amount equal to sixty percent (60%) of the outstanding principal amount of Program obligations existing on May 1, 2021. As of May 1, 2021, the outstanding principal amount of Program obligations (i.e., Parity Debt) was \$5.9 billion. The Commission may issue, other than refunding obligations described herein, no more than \$3.6 billion in aggregate principal amount of Parity Debt prior to January 1, 2027.

Bond proceeds are to be used to refunding existing bonds and related credit agreements, creating reserves for payment of bonds and related credit agreements, paying bond issuance costs and paying interest on the bonds and related credit agreements.

In an event of default in connection with any covenant or in any supplement, or default in the payment of annual debt service requirements due in connection with any parity debt, or other costs and expenses related thereto, any owner of parity debt (which includes all Mobility Fund bondholders) may require the Commission, the Department, its officials and employees, and any appropriate official of the State, to carry out, respect, or enforce the covenants and obligations of the Master Resolution or any Supplement, by all legal and equitable means, including specifically the use and filing of mandamus proceedings in any court of competent jurisdiction in Travis

County, Texas against the Commission, the Department, its officials and employees, or any appropriate official of the State.

The Series 2015-B outstanding balance of \$281.0 million is from direct placements.

***Texas Highway Improvement General Obligation Bond Program (Proposition 12)***

Texas Constitution, Article III, Section 49-p and Transportation Code, Section 222.004, authorizes the Commission to issue general obligation bonds of the state of Texas for the costs of highway improvement projects including construction, reconstruction, design, the acquisition of right-of-way, the costs of administering the highway improvement projects and the costs of issuing the bonds. These bonds are not self-supporting and are considered a general obligation of the state of Texas. As of Aug. 31, 2022, the Commission had issued the \$5.0 billion authorized under the Texas highway improvement general obligation bond program.

In an event of default in connection with (i) failure to make payment of the principal of or interest on any of the bonds or credit agreements when due and payable or (ii) the performance or observance of any other covenant, agreement or obligation of the Commission or the State, which materially adversely affects the rights of the bond owners, any owner of bonds or credit agreements may require the Commission, the Department, its officials and employees, and any appropriate official of the State, to carry out, respect, or enforce the covenants and obligations of the Master Resolution or any Supplement, by all legal and equitable means, including specifically the use and filing of mandamus proceedings in any court of competent jurisdiction in Travis County, Texas against the Commission, the Department, its officials and employees, or any appropriate official of the State. The State has not waived sovereign immunity with respect to the enforcement of the obligations of the Commission and the State relating to any series of bonds or credit agreements.

| <b>Debt Service Requirements – Governmental Activities</b>  |                  |           |                   |           |               |
|---|------------------|-----------|-------------------|-----------|---------------|
| (Amounts in Thousands)  |                  |           |                   |           |               |
| <b>General Obligation Bonds</b>   |                  |           |                   |           |               |
| <b>Year</b>   | <b>Principal</b> |           | <b>Interest *</b> |           | <b>Total</b>  |
| 2023  | \$               | 295,420   | \$                | 365,268   | \$ 660,688    |
| 2024  |                  | 312,340   |                   | 351,593   | 663,933       |
| 2025  |                  | 330,290   |                   | 336,985   | 667,275       |
| 2026  |                  | 349,305   |                   | 321,398   | 670,703       |
| 2027  |                  | 281,005   |                   | 313,587   | 594,592       |
| 2028-2032   |                  | 2,062,010 |                   | 1,329,407 | 3,391,417     |
| 2033-2037   |                  | 2,373,590 |                   | 867,545   | 3,241,135     |
| 2038-2042   |                  | 2,179,630 |                   | 325,643   | 2,505,273     |
| 2043-2047   |                  | 704,595   |                   | 42,305    | 746,900       |
|   |                  | 8,888,185 |                   | 4,253,731 | 13,141,916    |
| Premium   |                  | 538,309   |                   |           | 538,309       |
| Total   | \$               | 9,426,494 | \$                | 4,253,731 | \$ 13,680,225 |
| * Series 2006-B debt service requirements are calculated with interest rate of 1.47 percent which is the interest rate reported at Aug. 31, 2022. |                  |           |                   |           |               |

| <b>Debt Service Requirements – Governmental Activities</b> |                  |                 |              |           |
|--|------------------|-----------------|--------------|-----------|
| (Amounts in Thousands)                                     |                  |                 |              |           |
| <b>General Obligation Bonds - Direct Placements</b>        |                  |                 |              |           |
| <b>Year</b>  | <b>Principal</b> | <b>Interest</b> | <b>Total</b> |           |
| 2023   | \$               | \$              | 12,705       | \$ 12,705 |
| 2024   |                  |                 | 12,705       | 12,705    |
| 2025   |                  |                 | 12,705       | 12,705    |
| 2026   |                  |                 | 12,705       | 12,705    |
| 2027   |                  |                 | 12,705       | 12,705    |
| 2028-2032  | 25,270           | 62,896          |              | 88,166    |
| 2033-2037  | 228,835          | 39,023          |              | 267,858   |
|  | 254,105          | 165,444         |              | 419,549   |
| Premium  | 26,850           |                 |              | 26,850    |
| Total  | \$ 280,955       | \$ 165,444      | \$           | 446,399   |

### ***Revenue Bonds – General Comments***

The Texas Constitution and Transportation Code authorize the Commission to issue revenue bonds backed by pledged revenue sources and restricted funds. All revenue bond issuances must be approved by the Texas Bond Revenue Board prior to issuance. The active revenue bond programs of TxDOT and the Grand Parkway Transportation Corporation are summarized as follows.

#### ***State Highway Fund Revenue Bond Program (Proposition 14)***

Texas Constitution, Article III, Section 49-n and Transportation Code, Section 222.003 authorizes the Commission to issue revenue bonds to finance highway improvement projects. The bonds are payable from pledged revenues deposited to the credit of the state highway fund, including dedicated taxes, dedicated federal revenues and amounts collected or received pursuant to other state highway fund revenue laws and any interest or earning from the investment of these funds. As of Aug. 31, 2022, the Commission had issued the \$6.0 billion authorized under the state highway fund revenue bond program.

In an event of default, the purchaser may take the following actions:

- (i) Direct the tender agent and the Commission, as applicable, to cause a mandatory tender of the bonds or take such other remedial action as is provided for in the Resolution;
- (ii) Exercise any and all remedies as it may have under the related documents and as otherwise available at law and equity;
- (iii) Take whatever action at law or in equity may appear necessary or desirable to collect the amounts due and payable by the Commission under the Related Documents (including all outstanding debt service on the 2014-B2 bonds) or to enforce performance or observance of any obligation, agreement or covenant of the Commission under the Related Documents.

In general, in the event of a default in the payment of debt service due in connection with any State Highway Fund bonds or any other costs and expenses relating thereto, or a default by the Commission in the performance of any duty or covenant provided in law or in the Resolution, any owner of State Highway Fund bonds may require the Commission or the Department or its officials and employees to carry out, respect, or enforce the Commission's covenants and obligations relating to the State Highway Fund bonds by all legal and equitable means, including specifically the use and filing of mandamus proceedings in State court.

Total debt service requirements for State Highway Fund revenue bonds are presented as follows.

| <b>Debt Service Requirements – Governmental Activities</b>  |                  |                   |              |           |
|---|------------------|-------------------|--------------|-----------|
| (Amounts in Thousands)  |                  |                   |              |           |
| <b>Revenue Bonds</b>  |                  |                   |              |           |
| <b>Year</b>   | <b>Principal</b> | <b>Interest *</b> | <b>Total</b> |           |
| 2023  | \$ 271,155       | \$ 143,310        | \$           | 414,465   |
| 2024  | 283,420          | 129,882           |              | 413,302   |
| 2025  | 298,350          | 114,611           |              | 412,961   |
| 2026  | 313,400          | 100,016           |              | 413,416   |
| 2027  | 326,635          | 88,477            |              | 415,112   |
| 2028-2032   | 1,393,195        | 205,090           |              | 1,598,285 |
| 2033-2037   | 327,775          | 13,242            |              | 341,017   |
|   | 3,213,930        | 794,628           |              | 4,008,558 |
| Premium   | 138,892          |                   |              | 138,892   |
| Total   | \$ 3,352,822     | \$ 794,628        | \$           | 4,147,450 |
| * Series 2014-B debt service requirements are calculated with interest rate of 1.69 percent which is the interest rate reported at Aug. 31, 2022. |                  |                   |              |           |

#### *Central Texas Turnpike System Revenue Bond Program*

Transportation Code, Chapter 228 Subchapter C authorizes the Commission to issue revenue bonds to pay a portion of the costs of planning, designing, engineering, developing and constructing the Central Texas Turnpike System (CTTS) located in the greater Austin metropolitan area in Travis and Williamson counties. The bonds are payable from and secured solely by a first and second lien on, as applicable, and pledge of the trust estate. The trust estate consists of all project revenues and investment earnings. Neither the state, the Commission, TxDOT, nor any other agency or political subdivision of the state, is obligated to pay the debt service on the CTTS revenue bonds.

In an event of default under the terms of the Indenture of Trust dated as of July 15, 2002, the Trustee may take the following actions and upon the written request of the owners of not less than 20 percent in principal amount of outstanding obligations shall proceed to:

- (i) Protect and enforce its rights and the rights of the owners under the state law and the Indenture by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for mandamus or the specific performance of any covenant or agreement contained in the Indenture or in aid or execution of any power granted by the Indenture or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such right.
- (ii) In the enforcement of any remedy under the Indenture the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any event of default becoming, and at any time remaining, due from the Commission.

CTTS series 2020B bonds are direct placements. The outstanding par value is \$225.0 million.

#### *Grand Parkway System Toll Revenue Bond Program*

Transportation Code, Chapter 431 authorizes the creation of the Grand Parkway Transportation Corporation, a public, non-profit Texas corporation created by the Commission to act on behalf of the Commission to finance, build and operate certain segments of State Highway 99 (the "Grand Parkway Project") in the greater Houston area. In March 2012, the Commission adopted a resolution creating the Grand Parkway Transportation Corporation (GPTC). GPTC is authorized to assist and act on behalf of the Commission in the development, financing, design, construction, reconstruction, expansion, operation and/or maintenance of the Grand Parkway toll project. The bond obligations are payable from tolls and other revenues of the GPTC held by the trustee. Neither the state, the Commission, nor any other agency or political subdivision of the state is obligated to pay the debt service on the GPTC bonds.

In an event of default, and upon the written request of the owners of not less than 20 percent in principal amount of outstanding obligations, the Trustee shall proceed to:

- (i) Protect its rights and the rights of the owners under Chapter 431, Transportation Code and under the Trust Agreement, the Toll Rate Agreement or certain sections of the Project Agreement by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for mandamus or the specific performance of any covenant or agreement contained in the Trust Agreement or in aid or execution of any power granted in the Trust Agreement for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel, deems most effectual to protect and enforce such rights. Acceleration of principal of or interest on the obligations upon the occurrence of an event of default is not a remedy available under the Trust Agreement.
- (ii) In the enforcement of any remedy under the Trust Agreement the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any default becoming, and at any time remaining, due from the Corporation and to enforce judgment or decree against the Corporation but solely as provided in the Trust Agreement.

GPTC series 2016 bonds are direct placements. The outstanding par value is \$83.8 million.

#### *SH249 System Revenue Bond Program*

Transportation Code, Chapter 228 authorizes the Commission to issue toll revenue bonds to finance the cost of construction, improvement, extension, or expansion of a toll project or system in the State. In February 2019, the Commission issued \$249.3 million in toll revenue bonds (2019 SH 249 Bonds) to finance the cost of an approximately 15-mile tolled highway (Segment 1) to serve as a northerly extension of the existing State Highway 249 (SH 249) and to be located between FM 1774 in Pinehurst, Texas (Montgomery County) and FM 1774 near Todd Mission, Texas (Grimes County). The 2019 SH 249 Bonds constitute special, limited obligations of the Commission secured by and payable solely from a first lien on, pledge of, and security interest in the trust estate (Trust Estate) for the 2019 SH 249 Bonds and are payable prior to the payment of operating and maintenance expenses on Segment 1. The Trust Estate consists primarily of toll revenues to be generated by the operation of Segment 1. None of the Commission, TxDOT, or any other agency or political subdivision of the State is obligated to pay debt service on the 2019 SH 249 Bonds except the Commission solely from the Trust Estate and certain funds created under the master trust agreement (Master Trust Agreement) for the 2019 SH 249 Bonds. The Commission has currently designated Segment 1 as comprising the entire “SH 249 System”, and Segment 1 will be the first and initially the only segment of the SH 249 System. The Commission may choose to expand or enlarge the SH 249 System, but the Commission currently has no plans for such expansion or enlargement. Subject to the terms of the Master Trust Agreement, the Commission may issue additional bonds or other obligations at any time, secured by a lien on the Trust Estate that is on parity with, or subordinate to, the first lien on the Trust Estate securing payment of the 2019 SH 249 Bonds, in order to finance the expansion or enlargement of the SH 249 System.

In an event of default, the Trustee may proceed and upon the written request of the owners of not less than 20 percent in principal amount of outstanding obligations, shall proceed to:

- (i) Protect and enforce its rights and the rights of the owners under State law and under the Master Trust Agreement by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for mandamus or the specific performance of any covenant or agreement in the Master Trust Agreement or in aid or execution of any power granted in the Master Trust Agreement or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights. Acceleration of the principal of or interest on the obligations is not a remedy available under the Master Trust Agreement.
- (ii) In the enforcement of any remedy under the Master Trust Agreement the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any default becoming, and at any time remaining, due from the Corporation

The summarized debt service requirements for the CTTS, GPTC and SH249 System is as follows.

| <b>Debt Service Requirements – Business-Type Activities</b> |                         |                         |                          |  |
|---|-------------------------|-------------------------|--------------------------|--|
| (Amounts in Thousands)                                      |                         |                         |                          |  |
| <b>Revenue Bonds</b>  |                         |                         |                          |  |
| <b>Year</b>   | <b>Principal</b>        | <b>Interest</b>         | <b>Total</b>             |  |
| 2023  | \$ 73,095               | \$ 239,754              | \$ 312,849               |  |
| 2024  | 82,465                  | 253,061                 | 335,526                  |  |
| 2025  | 75,435                  | 266,331                 | 341,766                  |  |
| 2026  | 89,855                  | 265,672                 | 355,527                  |  |
| 2027  | 102,220                 | 265,119                 | 367,339                  |  |
| 2028-2032   | 671,510                 | 1,305,692               | 1,977,202                |  |
| 2033-2037   | 1,238,680               | 1,121,358               | 2,360,038                |  |
| 2038-2042   | 1,640,005               | 822,318                 | 2,462,323                |  |
| 2043-2047   | 987,965                 | 543,811                 | 1,531,776                |  |
| 2048-2052   | 1,750,845               | 277,692                 | 2,028,537                |  |
| 2053-2057   | 608,920                 | 30,519                  | 639,439                  |  |
|   | <u>7,320,995</u>        | <u>5,391,327</u>        | <u>12,712,322</u>        |  |
| Accretion   | (500,392)               |                         | (500,392)                |  |
| Premium   | 355,514                 |                         | 355,514                  |  |
| Discount  | (516)                   |                         | (516)                    |  |
| Total \$  | <u><u>7,175,601</u></u> | <u><u>5,391,327</u></u> | <u><u>12,566,928</u></u> |  |

| <b>Debt Service Requirements – Business-Type Activities</b>  |                       |                       |                       |  |
|--|-----------------------|-----------------------|-----------------------|--|
| (Amounts in Thousands)   |                       |                       |                       |  |
| <b>Revenue Bonds - Direct Placements</b>   |                       |                       |                       |  |
| <b>Year</b>  | <b>Principal</b>      | <b>Interest *</b>     | <b>Total</b>          |  |
| 2023   | \$                    | \$ 6,793              | \$ 6,793              |  |
| 2024   | 83,775                | 5,881                 | 89,656                |  |
| 2025   |                       | 4,945                 | 4,945                 |  |
| 2026   |                       | 4,950                 | 4,950                 |  |
| 2027   |                       | 4,950                 | 4,950                 |  |
| 2028-2032  |                       | 24,755                | 24,755                |  |
| 2033-2037  |                       | 24,745                | 24,745                |  |
| 2038-2042  | 225,000               | 23,643                | 248,643               |  |
| Total \$   | <u><u>308,775</u></u> | <u><u>100,662</u></u> | <u><u>409,437</u></u> |  |
| * CTTS Series 2020-B debt service requirements are calculated with interest rate of 2.20 percent which is the interest rate reported at Aug. 31, 2022. |                       |                       |                       |  |



### ***Build America Bonds***

The American Recovery and Reinvestment Act of 2009 granted municipal debt issuers access to a broader investor base in the taxable market by providing a federal interest rate subsidy payment to offset debt service costs through the Build America Bonds (BABs) program. Direct Payment BABs provide a federal reimbursement to TxDOT equal to 35 percent of the interest paid on the bonds.

As a result of budget sequestration, the federal government reduced subsidy payments for BABs by 5.7 percent effective Oct. 1, 2020 through Sept. 30, 2030 for BAB subsidy payments paid in federal fiscal year 2022. See the table below for details on the Commission's Direct Payment BABs outstanding at Aug. 31, 2022.

| <b>Direct Payment Build America Bonds</b> (Amounts in Thousands) |                   |                     |                     |
|--|-------------------|---------------------|---------------------|
|  | <b>Issue Date</b> | <b>Par Amount</b>   | <b>Outstanding</b>  |
| <b>Governmental Activities</b>                                   |                   |                     |                     |
| General Obligation Bonds   |                   |                     |                     |
| Texas Mobility Fund Series 2009-A                                | 8/26/2009         | \$ 1,208,495        | \$ 1,205,250        |
| Texas Highway Improvement Bonds Series 2010-A                    | 9/29/2010         | 815,420             | 700,900             |
| Revenue Bonds  |                   |                     |                     |
| State Highway Fund Series 2010                                   | 8/05/2010         | 1,500,000           | 1,500,000           |
| Governmental Activities Total                                    |                   | <u>\$ 3,523,915</u> | <u>\$ 3,406,150</u> |

### ***Variable Rate Bonds***

The Commission has four variable rate bond issues outstanding at Aug. 31, 2022. The interest rates in effect as of Aug. 31, 2022 for the Texas Mobility Fund Series 2006-B, Texas Mobility Fund Series 2014-B, State Highway Fund Series 2014-B and Central Texas Turnpike System Series 2020-B used to calculate the debt service requirements were 1.47, .65, 1.69, and 2.20 percent, respectively. For Texas Mobility Fund Series 2006-B bonds and State Highway Fund Series 2014-B bonds, the interest rates reset every seven days. Texas Mobility Fund Series 2014-B bonds has the rate fixed through Apr. 1, 2026. Central Texas Turnpike System Series 2020-B bonds rate reset daily.

### ***Fixed Rate Put Bonds***

The Commission has one fixed rate put bond issues outstanding, the Texas Mobility Fund Series 2014-B bonds. The Texas Mobility Fund Series 2014-B bonds were redesignated and remarketed on Oct. 1, 2021. The interest mode was converted to a Multiannual Mode for the initial multiannual rate period that commences on Oct. 1, 2021 and ends on Mar. 31, 2026. The bonds bear interest rate at .65 percent in the initial multiannual rate period. The bonds are subject to mandatory tender for purchase on the mandatory tender date as specified in the award certificate. The bonds are not subject to optional tender prior to the mandatory tender date.

During the initial multiannual rate period, the bonds are not subject to the benefit of a liquidity facility, nor is there any requirement to obtain such a liquidity facility. The obligation of the Commission to purchase the bonds on the mandatory tender date is subject to the successful remarketing of such bonds and a failed conversion and remarketing will not constitute an event of default. The Commission has no obligation to purchase the bonds except from the remarketing proceeds. In the event that the bonds are not remarketed to new purchasers on the mandatory tender date, the bonds will bear interest at the stepped rate of 7.00 percent per annum.

### ***Demand Bonds***

The Texas Mobility Fund Series 2006-B and the State Highway Fund Series 2014-B bonds are variable rate demand bonds. A bond holder may tender any of these bonds for repurchase prior to maturity at a price equal to principal plus accrued interest. Any bonds so tendered will be purchased either by the proceeds of the remarketing of such bonds or, if not successfully remarketed, from amounts drawn under the standby bond purchase agreements. The following tables provide details for outstanding demand bonds and the related standby bond purchase agreements as of Aug. 31, 2022.

| <b>Demand Bonds – Standby Bond Purchase Agreement Provisions</b> (Amounts in Thousands) |  |                                      |                                 |   |
|---|--|--------------------------------------|---------------------------------|---|
| <b>Governmental Activities</b>  | <b>Principal<br/>Balance<br/>Outstanding</b> | <b>Counterparties</b>                | <b>Annual<br/>Liquidity Fee</b> | <b>Agreement<br/>Termination<br/>Date</b> |
| General Obligation Bonds  |  |                                      |                                 |   |
| Texas Mobility Fund<br>Series 2006-B  | \$150,000                                    | Texas Comptroller of Public Accounts | 0.12%                           | 8/31/2023                                 |
| Revenue Bonds   |  |                                      |                                 |   |
| State Highway Fund<br>Series 2014-B   | 300,000                                      | Sumitomo Mitsui Banking Corporation  | 0.2% - 2.3%*                    | 10/01/2026                                |
| <b>TOTAL</b>  | <u><u>\$450,000</u></u>                      |                                      |                                 |   |
| * Dependent on credit ratings of the bonds.   |  |                                      |                                 |   |

The Texas Mobility Fund Series 2006-B bonds are subject to a standby bond purchase liquidity agreement (agreement) with the Texas Comptroller of Public Accounts (Comptroller). The agreement provides terms to be negotiated and mutually agreed upon by TxDOT and the Comptroller upon need for the Comptroller to purchase bonds put but that the remarketing agent cannot resell timely to new investors. In that case, TxDOT would pay interest to the Comptroller based on the existing debt service schedule for the Series 2006-B bonds.

The agreement was made pursuant to powers granted to Comptroller under Texas Government Code Sec. 404.027. The agreement provides protection to prevent an unplanned draw on current financial resources of the Texas Mobility Fund. The agreement is subject to renewal on a biennial basis. For fiscal 2022, the Trustee did not draw from the Comptroller related to the Series 2006-B demand bonds.

The standby bond purchase agreement for the State Highway Fund Series 2014-B contains takeout provisions, which provide an alternative debt instrument to replace any repurchased bonds that are not remarketed within the prescribed time constraints. Outstanding principal balances on variable rate demand bonds that have take-out provisions in place may be classified as non-current liabilities. The outstanding principal balance for the Series 2014-B is classified as a non-current liability as the agreement in place is set to expire in fiscal year 2027. The table shown below provides the estimated impact of such an event.

| Demand Bonds – Takeout Provisions (Amounts in Thousands) |                |                |       |                        |   |
|--|----------------|----------------|-------|------------------------|---|
| Governmental Activities                                  | Estimated Debt |                |       | Replacement Debt Terms |   |
|  | Service        | Rate           | Basis |                        |   |
| Revenue Bonds  |                |                |       |                        |   |
| State Highway Fund                                       |                |                |       |                        |   |
| Series 2014-B  | \$             | 349,868        | 9.50% | Base Rate + 2%         | Semi-annual payments over three years (or sooner under certain termination events) starting on the first day of the sixth month of that period. |
| Total  | \$             | <u>349,868</u> |       |                        |   |

### **Remarketing**

The Commission had four bonds remarketing transactions during fiscal 2022.

On Oct. 1, 2021, Texas Mobility Fund SIFMA Index Floating Rate Bonds, Series 2014-B in the aggregate principal amount of \$250.0 million were redesignated and remarketed as Texas Mobility Fund Put Bonds, Series 2014-B and the interest rate mode thereof was converted to a Multiannual Mode. The bonds bear interest at the .65 percent per annum through Mar. 31, 2026, during the initial multiannual rate period. The bonds will be subject to mandatory tender for purchase on Apr. 1, 2026, subject to the successful remarketing of all bonds.

On Oct. 1, 2021, State Highway Fund Hard Put Refunding Bonds, Series 2016-B, in the aggregate principal amount of \$89.4 million

were subject to mandatory tender and were remarketed as State Highway Fund Revenue Bonds, Series 2016-B. The interest rate mode thereof was converted a fixed rate mode. The bonds bear interest at the rates of .43 percent and .56 percent annum. The bonds are not subject to redemption prior to their stated maturity. And the bonds are not subject to conversion to another interest rate mode.

On Mar. 25, 2022, State Highway Fund Revenue Variable Rate Bonds, Series 2014-B1 in the aggregate principal amount of \$150.0 million and State Highway Fund Revenue LIBOR Index Floating Rate Bonds, Series 2014-B2, the direct placements with the outstanding par value of \$150.0 million were subject to mandatory tender for purchase and remarketed as a single series in the aggregate principal amount of \$300.0 million and redesignated as State Highway Fund Variable Rate Bonds, Series 2014-B. The remarketed bonds are variable rate bonds, bearing interest in the weekly mode. The Commission intended to cause a standby letter of credit (the "Liquidity Facility") issued by Sumitomo Mitsui Banking Corporation. The Liquidity Facility became effective on Mar. 25, 2022, unless extended or earlier terminated, will expire on Oct. 1, 2026.

The Commission authorized the conversion and redesignation of Central Texas Turnpike System First Tier Revenue Refunding Put Bonds, Taxable Series 2020-B to tax-exempt bonds on Aug. 15, 2022 redesignated as Central Texas Turnpike System Revenue Refunding Variable Rate Bonds, Series 2020-B to bear interest in an Index Floating Rate Mode. The Commission's mandatory tender and remarketing through a private placement with Wells Fargo Bank, National Association. The remarketed bonds are subject to mandatory tender for purchase on Aug. 15, 2024.

### ***Defeased Bonds***

The Commission defeased various bond issues by placing funds and securities in irrevocable trusts with external financial institutions to provide for all future debt service payments on the bonds through the earlier of the maturity date or the first call date. As of Aug. 31, 2022, the amounts of defeased bonds, at par, that remain outstanding are presented in the table below.

| <b>Defeased Bonds Outstanding (Amounts in Thousands)</b>     |                      |                              |
|--|----------------------|------------------------------|
| <b>Description of Issue</b>                                  |                      |                              |
| <b>Governmental Activities</b>                               | <b>Year Defeased</b> | <b>Par Value Outstanding</b> |
| <b>General Obligation Bonds</b>                              |                      |                              |
| Texas Mobility Fund Series 2014 Fixed Rate Refunding Bonds   | 2020                 | \$ 380,815                   |
| Texas Mobility Fund Series 2014-A Fixed Rate Refunding Bonds | 2020                 | 690,760                      |
| Highway Improvement Bonds Series 2014 Fixed Rate Bonds       | 2019                 | 84,000                       |
| Highway Improvement Bonds Series 2014 Fixed Rate Bonds       | 2020                 | 672,000                      |
| <b>Revenue Bonds</b>   |                      |                              |
| State Highway Fund Series 2014-A Fixed Rate Refunding Bonds  | 2020                 | 358,625                      |
| Total Governmental Activities                                |                      | <u>\$ 2,186,200</u>          |
| <b>Business-Type Activities</b>                              |                      |                              |
| <b>Central Texas Turnpike System Revenue Bonds</b>           |                      |                              |
| Series 2002-A Capital Appreciation Bonds*                    | 2015                 | \$ 23,863                    |
| <b>Grand Parkway Transportation Bonds</b>                    |                      |                              |
| Series 2013-A Revenue Refunding Bonds                        | 2020                 | 152,270                      |
| Series 2013-B Current Interest Bonds                         | 2020                 | 1,137,935                    |
| Total Business-Type Activities                               |                      | <u>\$ 1,314,068</u>          |
| Total  |                      | <u><u>\$ 3,500,268</u></u>   |
| * Includes \$16,073 of accreted interest.                    |                      |                              |

### Conduit Debt Private Activity Bond Program

Transportation Code, Chapter 431 provides the authority for transportation corporations to issue bonds. The Texas Private Activity Bond Surface Transportation Corporation (TxPABST), a Texas public non-profit corporation blended component unit, has issued private activity bonds to finance costs related to the construction of the LBJ Interstate Highway 635 managed lanes, located in Dallas County, certain segments of the North Tarrant Express Facility in Tarrant County and the SH 288 toll lanes project in Harris County.

The proceeds from TxPABST bonds were loaned to LBJ Infrastructure Group LLC, NTE Mobility Partners LLC, NTE Mobility Partners Segments 3 LLC and Blueridge Transportation Group, LLC to finance costs related to the planning, development, design and construction of these transportation projects. These bonds are special limited obligations of TxPABST, payable solely from and secured by loan and interest repayments from the borrowers. The bonds do not constitute a debt or pledge of the faith and credit of TxPABST, TxDOT or the state of Texas. As of Aug. 31, 2022, TxPABST private activity revenue bonds outstanding aggregated \$3.2 billion. The debt service schedule for the outstanding TxPABST conduit debt is disclosed below.

| Conduit Debt Obligations - Miscellaneous Information (Amounts in Thousands)                                    |                      |             |                         |            |           |                 |
|--|----------------------|-------------|-------------------------|------------|-----------|-----------------|
| Description of Issue   | Bonds Issued to Date | Date Issued | Range of Interest Rates | Maturities |           |                 |
|  |                      |             |                         | First Year | Last Year | First Call Date |
| NTE Mobility Partners Segments 3 LLC   |                      |             |                         |            |           |                 |
| Segments 3A and 3B Facility  |                      |             |                         |            |           |                 |
| Series 2013  | \$ 274,030           | 9/19/2013   | 6.75% - 7.00%           | 2038       | 2043      | 9/1/2023        |
| Blueridge Transportation Group, LLC  |                      |             |                         |            |           |                 |
| SH 288 Toll Lanes Project  |                      |             |                         |            |           |                 |
| Series 2016  | \$ 272,635           | 5/9/2016    | 5.00%                   | 2036       | 2055      | 12/31/2025      |
| NTE Mobility Partners Segments 3 LLC   |                      |             |                         |            |           |                 |
| Segments 3C Project  |                      |             |                         |            |           |                 |
| Series 2019  | \$ 653,865           | 8/8/2019    | 5.00%                   | 2047       | 2058      | 6/30/2029       |
| NTE Managed Lanes Project  |                      |             |                         |            |           |                 |
| Series 2019-A  | \$ 331,790           | 12/17/2019  | 4.00% - 5.00%           | 2030       | 2039      | 12/31/2029      |
| Series 2019-B  | \$ 871,085           | 12/17/2019  | 3.92%                   | 2049       | 2049      | *               |
| LBJ IH-635 Managed Lanes Project   |                      |             |                         |            |           |                 |
| Series 2020-A  | \$ 537,510           | 9/18/2020   | 4.00%                   | 2030       | 2040      | 12/31/2030      |
| Series 2020-B  | \$ 7,025             | 9/18/2020   | 2.75%                   | 2026       | 2026      | *               |
| * Bonds are subject to redemption prior to their respective maturities at the option of NTE Mobility Partners. |                      |             |                         |            |           |                 |

| <b>Conduit Debt Obligations – Debt Service (Amounts in Thousands)</b> |                  |           |                 |              |
|---|------------------|-----------|-----------------|--------------|
| <b>TxPABST Bonds – Conduit Debt</b>                                   |                  |           |                 |              |
| <b>Year</b>   | <b>Principal</b> |           | <b>Interest</b> |              |
|   |                  |           |                 | <b>Total</b> |
| 2023  | \$               | \$        | 136,362         | \$ 136,362   |
| 2024  |                  |           | 136,362         | 136,362      |
| 2025  |                  |           | 136,362         | 136,362      |
| 2026  |                  | 3,515     | 136,362         | 139,877      |
| 2027  |                  | 3,510     | 136,217         | 139,727      |
| 2028-2032   |                  | 141,095   | 675,692         | 816,787      |
| 2033-2037   |                  | 520,655   | 597,906         | 1,118,561    |
| 2038-2042   |                  | 689,315   | 449,415         | 1,138,730    |
| 2043-2047   |                  | 552,585   | 309,918         | 862,503      |
| 2048-2052   |                  | 580,770   | 175,817         | 756,587      |
| 2053-2057   |                  | 383,765   | 70,117          | 453,882      |
| 2058  |                  | 72,730    | 2,739           | 75,469       |
|   |                  | 2,947,940 | 2,963,269       | 5,911,209    |
| Premium   |                  | 232,272   |                 | 232,272      |
| Discount  |                  | (1,587)   |                 | (1,587)      |
| Total   | \$               | 3,178,625 | \$ 2,963,269    | \$ 6,141,894 |

## NOTE 7 – LEASES

TxDOT had twenty-six active lessee leases as of Aug. 31, 2022. There are four buildings, fifteen equipment and seven land leases. Out of the twenty-six lessee leases, ten of them have the option to renew that TxDOT is reasonably certain to exercise. There are thirteen leases with purchase options and nineteen leases that have termination option. There was one equipment lease that was terminated early. A net loss was recorded as a result of this termination. The table below depicts the different type of lessee assets including their initial lease terms and renewal terms.

| Leased Asset Classification | Current Lease Commencement Date | Current Lease End Date | Lease End Renewal Date |
|-----------------------------|---------------------------------|------------------------|------------------------|
| Building                    | 09/01/2021-11/30/2021           | 11/18/2022-06/30/2025  | 11/18/2025-06/30/2037  |
| Building                    | 09/01/2021                      | 10/31/2022             | N/A                    |
| Equipment                   | 09/01/2021-06/01/2022           | 12/14/2021-05/31/2023  | 12/14/2024-05/31/2026  |
| Equipment                   | 09/01/2021-08/01/2022           | 08/30/2022-08/31/2027  | N/A                    |
| Land                        | 09/01/2021                      | 06/19/2022-12/31/2025  | 06/19/2023-08/16/2042  |
| Land                        | 09/01/2021                      | 12/31/2022-12/31/2026  | N/A                    |

The intangible right-to-use (RTU) assets of \$32.8 million and the accumulated amortization of \$4.2 million of the lessee leases were reported as of fiscal year end. The amounts of the details of the RTU assets, including the beginning balance, increase and decrease by major classes of underlying assets are disclosed in Note 2. The lease liability and deferred inflows and the related accumulated amortization are included in Note 5.

The majority of the variable payments are related to rental leases of land and buildings, consisting of property taxes and operating expenses. In total the variable payments associated with lessee leases that are not included in the calculation of lease liability is \$1.9 million. TxDOT has identified one equipment lease which will commence in fiscal 2023.

The table below summarizes the principal and interest payments made on lessee leases for each of the first five years, payments made in five-year increments thereafter.

| Future Lease Payments<br>(Amounts in Thousands) |           |          |                                     |  |
|---|-----------|----------|-------------------------------------|--|
| Governmental Activities                         |           |          |                                     |  |
| Year  | Principal | Interest | Total Future Minimum Lease Payments |  |
| 2023  | \$ 2,860  | \$ 434   | \$ 3,294                            |  |
| 2024  | 2,467     | 419      | 2,886                               |  |
| 2025  | 2,530     | 383      | 2,913                               |  |
| 2026  | 2,527     | 346      | 2,873                               |  |
| 2027  | 1,889     | 310      | 2,199                               |  |
| 2028-2032                                       | 7,370     | 1,159    | 8,529                               |  |
| 2033-2037                                       | 8,970     | 415      | 9,385                               |  |
| 2038-2042                                       | 58        | 3        | 61                                  |  |
| Total   | \$ 28,671 | \$ 3,469 | \$ 32,140                           |  |

TxDOT in total has eleven lessor leases. TxDOT primarily has three types of lessor leases. They are saltwater, fiber and ground/surface leases.

- A saltwater lease is for a facility on or along state right of way that conducts water to be used in drilling or operating a well that is used in the exploration for or production of oil or gas.
- A fiber lease is a lease of state-owned land for private internet providers to run fiber lines along TxDOT right of way.

- A ground/surface lease is a lease of state-owned land that is used by lessee for various needs.

The table below identifies lessor leases by asset along with the lease terms. There are six lessor leases where either party can terminate the lease by providing 24 months written notice. The non-cancellable term is 24 months. At every fiscal year end, these leases need to be assessed to determine if the lease term can be extended by another additional year.

There is one fiber lessor lease where the future payments collected by TxDOT could vary. The amount collected by TxDOT is either greater of \$800 or 40% of the amount collected by lessee from its other counter parties that it has arrangements with. The arrangements that lessee has with the other parties can be amended and hence the payment amount collected can differ.

| Leased Asset Classification | Current Lease Commencement Date | Current Lease End Date  | Lease End Renewal Date |
|-----------------------------|---------------------------------|-------------------------|------------------------|
| Infrastructure              | 09/01/2021                      | 02/10/2052              | N/A                    |
| Land - Ground/Surface lease | 09/01/2021                      | 07/31/2035 - 01/31/2036 | N/A                    |
| Land - Land Fiber lease     | 09/01/2021                      | 08/31/2025              | 08/31/2035             |
| Land - Salwater Lease       | 09/01/2021                      | 08/31/2024              | N/A                    |

For the above lessor leases, the total amount of lease revenue and interest revenue for fiscal 2022 are listed below

| Lease Income<br>For the Fiscal Year Ended August 31, 2022 (Amounts in Thousands) |                  |               |             |
|--|------------------|---------------|-------------|
| Governmental Activities  |                  |               |             |
|  | Interest Revenue | Lease Revenue | Prepayments |
| \$   | 20               | \$ 742        | \$ 1,133    |

All the lessor leases have variable payments that are clearly stated in the lease agreement. Therefore, they have all been captured in the measurement of lease receivable except for one lease that has been described above.

## NOTE 8 – RETIREMENT PLAN

Employees of the Texas Department of Transportation (TxDOT) are under the coverage of the Employees Retirement System of Texas Plan (ERS Plan), which is considered a single employer defined benefit plan under GASB Statement 68.

The defined benefit provisions of the ERS Plan are authorized by state law and may be amended by the Legislature. The monthly benefit may vary by membership class.

The monthly standard annuity of the employee class is determined by a statutory percentage of 2.3 percent of a member's average monthly compensation multiplied by number of years of service credit. The average monthly compensation of the employee class may vary depending on the hire date. For members hired on or before Aug. 31, 2009, the average monthly compensation is the average of the highest 36 months of compensation. For members hired on or after Sept. 1, 2009 and before Sept. 1, 2013, the average monthly compensation is the average of the highest 48 months of compensation. For members hired on or after Sept. 1, 2013, the average monthly compensation is the average of highest 60 months of compensation.

The monthly standard annuity of the elected class equals the statutory percentage of 2.3 percent of the current state salary of a district judge multiplied by the number of years of service credit. Retirement benefits are automatically adjusted as state judicial salaries change.

The ERS plan's membership as of the measurement date of Aug. 31, 2021 is presented in the table below:

| Texas Department of Transportation's Membership                      |        |
|--|--------|
| Retirees and Beneficiaries Currently Receiving Benefits              | 14,624 |
| Terminated Employees Entitled to Benefits But Not Yet Receiving Them | 8,152  |
| Current Employees - Vested and Non-Vested                            | 12,694 |
| Total Members  | 35,470 |

The contribution rates for the state and the members for the ERS plan for the measurement period of fiscal 2021 are presented as follows:

| Required Contribution Rates |      |                |                             |                       |                |                             |                       |
|-----------------------------|------|----------------|-----------------------------|-----------------------|----------------|-----------------------------|-----------------------|
| Fiscal Year                 | Plan | Employer       |                             |                       | Members        |                             |                       |
|                             |      | Employee Class | Elected Class – Legislators | Elected Class – Other | Employee Class | Elected Class – Legislators | Elected Class – Other |
| 2017                        | ERS  | 10.00%         | 10.00%                      | 10.00%                | 9.50%          | 9.50%                       | 9.50%                 |
| 2018                        | ERS  | 10.00%         | 10.00%                      | 10.00%                | 9.50%          | 9.50%                       | 9.50%                 |
| 2019                        | ERS  | 10.00%         | 10.00%                      | 10.00%                | 9.50%          | 9.50%                       | 9.50%                 |
| 2020                        | ERS  | 10.00%         | 10.00%                      | 10.00%                | 9.50%          | 9.50%                       | 9.50%                 |
| 2021                        | ERS  | 10.00%         | 10.00%                      | 10.00%                | 9.50%          | 9.50%                       | 9.50%                 |
| 2022                        | ERS  | 10.00%         | 10.00%                      | 10.00%                | 9.50%          | 9.50%                       | 9.50%                 |

The amount of TxDOT's contributions recognized by the ERS plan during the fiscal 2021 measurement period was \$74.4 million. TxDOT must report its 10.06 percent proportionate share of the State of Texas contributions.



The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of Aug. 31, 2021. The table below presents the actuarial methods and assumptions used to measure the total pension liability as of Aug. 31, 2021 the measurement date:

| ERS Plan                   |  |
|----------------------------|--|
| Actuarial Valuation Date   | August 31, 2021  |
| Actuarial Cost Method      | Entry Age Normal   |
| Amortization Method        | Level Percent of Payroll, Open   |
| Actuarial Assumptions:     |  |
| Discount Rate              | 7.00%  |
| Investment Rate of Return  | 7.0%   |
| Inflation                  | 2.3%   |
| Salary Increase            | 0% to 8.8%   |
| Mortality                  | 2020 State Retirees of Texas (SRT) mortality table. Generational mortality improvements in accordance with ultimate rates from the scale most recently published by Retirement Plans Experience Committee of the Society of Actuaries ("Scale U-MP") and projected from the year 2020. |
| Cost-of-living Adjustments | None-Employee<br>3.5%-Elected  |

Changes in assumptions include the single discount rate increasing from 3.62 percent in 2021 to 7.00 percent in 2022.

A single discount rate of 7.00 percent was applied to measure the total pension liability. The 7.00 percent discount rate incorporated a 7.0 percent long-term expected rate of return on pension plan investments and 1.95 percent 20-year municipal bond rate based on the rate for Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index". The long-term expected investment rate of return was applied to projected benefit payments through fiscal 2044 and the municipal bond rate was applied to all benefit payments thereafter.

The projections of cash flows used to determine this single discount rate assumed that plan member and employer contributions will be made at the current statutory levels and remain a level percentage of payroll. The projected cash flows from the employers are based on contributions for the most recent five-year period as of the measurement date, adjusted on consideration of subsequent events. The 87th legislative session passed Senate Bill (SB) 321, providing a legacy payment annually to ERS to pay off the current unfunded liability by 2054. The legacy payment began Sept. 1, 2021, for fiscal year 2022. SB 321 establishes a cash balance benefit in the defined benefit plan for state employees hired on or after Sept. 1, 2022. Additionally, in August 2020, the Board of Trustees adopted a new set of assumptions that are currently reflected in the actuarial valuations for fiscal 2022. Projected employer contributions are based on fiscal year 2021 funding levels.

The long-term expected rate of return on plan investments was developed using a building-block method with assumptions including asset class of investment portfolio, target allocation, real rate of return on investments, and inflation factor. Under this method, best estimate ranges of expected future real rates of return (net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class for the plan's investment portfolio are presented as follows:

| <b>Target Allocations As of Measurement Date of August 31, 2021</b> |                   |  |
|---|-------------------|--|
| Asset Class   | Target Allocation | Long-term Expected Portfolio Real Rate of Return |
| Global Equity   | 37%               | 2.15%  |
| Private Equity  | 13%               | 1.16%  |
| Global Credit   | 13%               | 0.39%  |
| Special Situations  | 1%                | 0.17%  |
| Real Estate Investment Trust  | 3%                | 0.16%  |
| Infrastructure/Land   | 7%                | 0.34%  |
| Private Real Estate   | 9%                | 0.31%  |
| Fixed Income - Rates  | 11%               | (0.04%)  |
| Absolute Returns  | 5%                | 0.18%  |
| Cash  | 1%                | (0.01%)  |
| Total   | <u>100%</u>       | 4.79%  |
| Inflation   |                   | 2.30%  |
| Expected Nominal Rate of Return                                     |                   | <u>7.09%</u>                                     |

Sensitivity analysis was performed on the impact of changes in the discount rate on the proportionate share of TxDOT's net pension liability. The result of the analysis is presented in the table below:

| <b>Sensitivity of TxDOT's Proportionate Share of Net Pension Liability to Changes Discount Rate</b><br>(Amounts in Thousands) |             |                       |             |
|---|-------------|-----------------------|-------------|
|   | 1% Decrease | Current Discount Rate | 1% Increase |
| ERS Plan Discount Rate  | 6.00%       | 7.00%                 | 8.00%       |
| Net Pension Liability   | \$1,596,007 | \$1,063,637           | \$620,518   |

Amounts in this schedule are based on collective amounts for the state of Texas. TxDOT reports its proportionate share of the collective amounts.

The pension plan's fiduciary net position is determined using economic resources measurement focus and the accrual basis of accounting, which is the same basis used by the Employees Retirement System. Benefits and refunds of contributions are recognized when due and payable in accordance with the terms of the plan. Investments of the pension trust fund are reported at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. The fair value of investments is based on published market prices and quotations from major investment brokers at available current exchange rates. However, corporate bonds in general are valued based on currently available yields of comparable securities by issuers with similar credit ratings. The Employees Retirement System issues stand-alone audited Annual Comprehensive Financial Report (ACFR). More detailed information on the plan's investment valuation, investment policy, assets, and fiduciary net position may be obtained from ERS' fiscal 2021 ACFR:

**Employees Retirement System of Texas**  
**P. O. Box 13207**  
**Austin, Texas 78711-3207**

TxDOT's total pension liability is based on an actuarial valuation performed as of Aug. 31, 2021. For fiscal 2022 reporting, the measurement date of TxDOT's net pension liability is Aug. 31, 2021. The schedule of changes in TxDOT's net pension liability for the fiscal year ending Aug. 31, 2022 is presented below:

| <b>Schedule of Changes in Net Pension Liability</b><br>(Amounts in Thousands) |  |  |  |
|---|--|--|--|
|   | <b>Total Pension Liability</b><br><b>(a)</b> | <b>Plan Fiduciary Net Position</b><br><b>(b)</b> | <b>Net Pension Liability</b><br><b>(a) - (b)</b> |
| Balances at 09/01/21  | \$ 6,496,520                                 | \$ 2,686,820                                     | \$ 3,809,700                                     |
| Changes for the year:   |  |  |  |
| Service Cost  | 215,861                                      |  | 215,861  |
| Interest  | 239,038                                      |  | 239,038  |
| Differences between Expected and Actual Experience                            | (75,186)                                     |  | (75,186)   |
| Assumption Changes  | (2,294,877)                                  |  | (2,294,877)                                      |
| Benefit Payments and Refunds  | (272,688)                                    | (272,688)  | 0  |
| Change in Proportional Percentage   | 11,253                                       |  | 11,253   |
| Contributions-Employer  |  | 74,383   | (74,383)   |
| Contributions-Member  |  | 72,249   | (72,249)   |
| Net Investment Income   |  | 697,718  | (697,718)  |
| Administrative Expense  |  | (2,198)  | 2,198  |
| Net Changes   | <u>(2,176,599)</u>                           | <u>569,464</u>                                   | <u>(2,746,063)</u>                               |
| Balances at 08/31/22  | \$ <u>4,319,921</u>                          | \$ <u>3,256,284</u>                              | \$ <u>1,063,637</u>                              |

The change of discount rate is the assumption change during the current measurement period. There have been no changes to benefit terms of the plan since the prior measurement date. TxDOT's proportion of the entire ERS plan was 10.06 percent in fiscal 2021; as compared to 10.03 percent in the prior measurement period.

For the fiscal year ending Aug. 31, 2022, TxDOT recognized negative pension expense of \$185.9 million. At Aug. 31, 2022, TxDOT reported deferred outflows of resources and deferred inflows of resources from the following sources:

| <b>Outstanding Deferred Outflows and Deferred Inflows at August 31, 2022</b><br>(Amounts in Thousands) |    |                                       |                                      |
|--|----|---------------------------------------|--------------------------------------|
|  |    | <b>Deferred Outflows of Resources</b> | <b>Deferred Inflows of Resources</b> |
| Difference between Expected and Actual Experience  | \$ | 20,513                                | \$ 58,446                            |
| Changes in Assumptions   |    | 351,529                               | 1,584,389                            |
| Net Difference between Projected and Actual Investment Return  |    |                                       | 349,781                              |
| Net Change in Proportion and Contribution  |    | 33,720                                |                                      |
| Contributions Subsequent to the Measurement Date   |    | 76,777                                |                                      |
| Total  | \$ | <u>482,539</u>                        | \$ <u>1,992,616</u>                  |

The \$76.8 million reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending Aug. 31, 2023.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense in the following years:

| <b>Fiscal Year Ended August 31:</b>  |    |           |
|--|----|-----------|
| (Amounts in Thousands)*  |    |           |
| 2023   | \$ | (493,265) |
| 2024   | \$ | (727,598) |
| 2025   | \$ | (264,898) |
| 2026   | \$ | (101,091) |
| 2027   | \$ | 0         |
| Thereafter   | \$ | 0         |
| *Positive amounts indicate increase in pension expense; negative amounts indicate decrease in pension expense. |    |           |

#### ***NOTE 9 - DEFERRED COMPENSATION***

The state of Texas offers two deferred compensation plans to all state employees. One was established in accordance with Internal Revenue Code, Section 457. The second was established in accordance with Internal Revenue Code, Section 401(k). All costs of administering and funding these programs are the responsibility of plan participants. The assets of the two plans remain the property of the contributing employees and are not presented in the accompanying financial statements. TxDOT makes no contributions to either plan, the assets do not belong to TxDOT and TxDOT has no liability related to the plans.

**NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

Retirees are provided with postemployment healthcare, life and dental insurance benefits through the State Retiree Health Plan (SRHP). The Employees Retirement System of Texas (ERS) is the administrator of SRHP, which is a cost sharing multiple-employer postemployment healthcare plan with a special funding situation. TxDOT reports its allocated proportional share of the SRHP in the TxDOT annual comprehensive financial report. This plan covers retired employees of the state, and other entities as specified by the State Legislature. The benefit and contribution provisions of the SRHP are authorized by state law and may be amended by the Legislature. Benefits are provided to retirees through the Texas Employees Group Benefits Program as authorized by Texas Insurance Code, Chapter 1551. Retirees must meet certain age and service requirements and have at least 10 years of service at retirement to participate in the plan.

Surviving spouses and dependents of retirees are also covered by SRHP. The plan does not provide automatic cost of living adjustments (COLAs).

TxDOT's ERS membership in SRHP as of the measurement date of Aug. 31, 2021 is presented in the table below:

| <b>TxDOT Retiree Health Plan Membership</b>  |               |
|--|---------------|
| Active Members*  | 13,093        |
| Inactive Members Currently<br>Receiving Benefit Payments**   | 13,118        |
| Inactive Members Entitled to But Not<br>Yet Receiving Benefit Payments   | 779           |
| <b>Total Members</b>   | <b>26,990</b> |
| * Includes 364 retirees who are not enrolled in a health plan and 23 retirees who currently receive the Opt-Out Credit in lieu of health benefits. |               |
| ** Includes return-to-work retirees and employees who have not yet satisfied the waiting period.   |               |

**Contributions**

During the measurement period of 2021 for fiscal 2022 reporting, the amount of TxDOT's contributions recognized by the OPEB plan was \$220.7 million, or 7.34 percent proportionate share of the state of Texas contributions. TxDOT does not contribute toward dental or optional life insurance. Surviving spouses and their dependents do not receive any employer contribution. The contribution requirements for the state and the members in the measurement period are presented in the table below:

| <b>Employer Contribution Rates</b>               |          |          |             |
|--|----------|----------|-------------|
| <b>Retiree Health and Basic Life Premium</b>     |          |          |             |
| <b>For the Fiscal Year Ended August 31, 2021</b> |          |          |             |
| ERS SRHP   |          |          |             |
|  | Employer |          | Plan Member |
| Retiree Only                                     | \$       | 624.82   | \$ 0        |
| Retiree & Spouse                                 | \$       | 1,339.90 | \$ 357.54   |
| Retiree & Children                               | \$       | 1,103.58 | \$ 239.38   |
| Retiree & Family                                 | \$       | 1,818.66 | \$ 596.92   |

The total OPEB liability is determined by the contribution rates and an annual actuarial valuation. The table below presents the actuarial methods and assumptions used to measure the total OPEB liability as of the Aug. 31, 2021 measurement date.

| Actuarial Methods and Assumptions - OPEB - State Retiree Health Plan (SRHP) |  |
|---|--|
| Valuation Date  | August 31, 2021  |
| Actuarial Cost Method   | Entry Age  |
| Amortization Method   | Level Percent of Payroll, Open   |
| Remaining Amortization Period   | 30 Years   |
| Actuarial Assumptions:  |  |
| Discount Rate   | 2.14%  |
| Inflation Rate  | 2.30%  |
| Projected Annual Salary Increase  | 2.30% to 9.05%, including inflation  |
| Annual Healthcare Trend Rate  | <p><u>HealthSelect</u><br/>5.25% for FY23, 5.15% for FY24, 5.00% for FY25, 4.75% for FY26, 4.60% for FY27, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY30 and later years</p> <p><u>HealthSelect Medicare Advantage</u><br/>0.00% for FY23, 66.67% for FY24, 24.00% for FY25, 4.75% for FY26, 4.60% for FY27, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY30 and later years</p> <p><u>Pharmacy</u><br/>10.00% for FY23 and FY24, decreasing 100 basis points per year to 5.00% for FY29 and 4.30% for FY30 and later years</p>  |
| Ad hoc Postemployment Benefit Changes                                       | None   |
| Aggregate Payroll Growth  | 2.70%  |
| Retirement Age  | Experience-based tables of rates that are specific to the class of employee  |
| Mortality-State Agency Members  | <p><u>Service Retirees, Survivors and Other Inactive Members:</u><br/>2020 State Retirees of Texas Mortality table with a 1 year set forward for male CPO/CO members. Generational mortality improvements in accordance with the Ultimate MP Projection Scale are projected from the year 2020.</p> <p><u>Disability Retirees:</u><br/>2020 State Retirees of Texas Mortality table set forward three years for males and females. Generational mortality improvements in accordance with the Ultimate MP Projection Scale are projected from the year 2020. Minimum rates of 3.0% and 2.5% apply at all ages for males and females, respectively.</p> <p><u>Active Members:</u><br/>Pub-2010 General Employees Active Member Mortality table for non-CPO/CO members. Pub-2010 Public Safety Active Member Mortality table for CPO/CO members. Generational mortality improvements in accordance with the Ultimate MP Projection Scale are projected from the year 2010.</p> |

The many actuarial assumptions used in the valuation were primarily based on the result of actuarial experience studies performed by the ERS retirement plan actuaries for the period Sept. 1, 2014 to Aug. 31, 2019 for state agency members. The mortality rates were based on the table above titled *Actuarial Methods and Assumptions*.

The following assumptions have been changed since the previous Other Postemployment Benefits (OPEB) valuation:

- a. The percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence,
- b. The proportion of future retirees assumed to be married and electing coverage for their spouse.
- c. The proportion of future retirees assumed to elect health coverage at retirement and proportion of future retirees expected to receive the Opt-Out Credit at retirement.
- d. The percentage of Higher Education vested terminated members assumed to have terminate less than one year before the valuation date.
- e. Assumed Per Capita Health Benefit Costs and assumed Health Benefit Cost and Retiree Contribution trends have been updated to reflect recent health plan experience and its effects on our short term expectations. The annual rate of increase in the Patient-Centered Outcomes Research Institute Fee payable under the Affordable Care Act has been updated to reflect recent health plan experience and its effects on our short-term expectations. Assumed expenses directly related to the payment of GBP HealthSelect medical benefits have been updated to reflect recent contract revisions; and,
- f. The discount rate was changed from 2.20% as of August 31, 2020 to 2.14% as of August 31, 2021 as a result of requirements by GASB No. 74 to utilize the yield or index rate for 20-year, tax exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

Minor benefit revisions have been adopted since the prior valuation. These changes, which are not expected to have a significant impact on plan costs for FY2022, are provided for in the FY2022 Assumed Per Capita Health Benefit Costs. There are no benefit changes for HealthSelect retirees and dependents for whom Medicare is Primary.

The discount rate that was used to measure the total OPEB liability is the municipal bond rate of 2.14% as of the end of the measurement year; as of the beginning of the measurement year, the discount rate was 2.20%. Projected cash flows into the plan are equal to projected benefit payments out of the plan. Since the plan operates on a pay-as-you-go basis and is not intended to accumulate assets, there is no long-term expected rate of return. ERS' board of trustees adopted an amendment to the investment policy in August 2017 to require that all funds in this plan be invested in short-term fixed income securities and specify that the expected rate of return on these investments be at least 2.4%. The investment rate of return used to calculate the projected earnings on OPEB investments was 2.20%.

Sensitivity analysis was performed on the impact of changes in the discount rate on the proportionate share of TxDOT's net OPEB liability. The result of the analysis is presented in the table below:

| <b>Sensitivity of TxDOT's Proportionate Share of Net OPEB Liability to Changes in Discount Rate</b> |                    |                              |                    |
|---|--------------------|------------------------------|--------------------|
| (Amount in Thousands)   |                    |                              |                    |
|   | <u>1% Decrease</u> | <u>Current Discount Rate</u> | <u>1% Increase</u> |
| ERS Plan Discount Rate  | 1.14%              | 2.14%                        | 3.14%              |
| Net OPEB Liability  | \$ 3,137,254       | \$ 2,634,050                 | \$ 2,240,368       |

Sensitivity analysis was performed on the impact of changes in the healthcare cost trend rates on the proportionate share of TxDOT's net OPEB liability. The result of the analysis is presented in the table below:

| <b>Sensitivity of TxDOT's Proportionate Share of Net OPEB Liability to Changes in Healthcare Cost Trend Rates</b><br><b>HealthSelect (HS) or HealthSelect Medicare Advantage (HSMA)</b><br>(Amount in Thousands) |  |  |  |
|--|--|--|--|
|  | 1% Decrease  | Current Healthcare Cost<br>Trend Rates                           | 1% Increase  |
|  | (HS/HSMA/Pharmacy:<br>4.25%/-1.00%/9.00%<br>decreasing to 3.30%) | (HS/HSMA/Pharmacy:<br>5.25%/0.00%/10.00%<br>decreasing to 4.30%) | (HS/HSMA/Pharmacy:<br>6.25%/1.00%/11.00%<br>decreasing to 5.30%) |
| Net OPEB Liability   | \$ 2,205,707   | \$ 2,634,050   | \$ 3,195,256   |

The OPEB plan's fiduciary net position is determined using the economic resources measurement focus and the accrual basis of accounting, which is the same basis used by ERS. Benefits and refunds of contributions are recognized when due and payable in accordance with the terms of the plan. Investments of the Other Employee Benefit Trust Fund are reported at fair value in accordance with GASB Statement No. 72. The fair value of investments is based on published market prices and quotations from major investment brokers at available current exchange rates. However, corporate bonds in general are valued based on currently available yields of comparable securities by issuers with similar credit ratings. More detailed information of the plan's investment valuation, investment policy, assets, and fiduciary net position may be obtained from ERS's fiscal 2021 ACFR:

**Employees Retirement System of Texas**  
**P.O. Box 13207**  
**Austin, Texas 78711-3207**

At Aug. 31, 2022, TxDOT reported a liability of \$2.6 billion for its proportionate share of the collective net OPEB liability. The collective OPEB liability was measured as of Aug. 31, 2021, and the total OPEB liability used to calculate the net liability was determined by an actuarial valuation as of that date. TxDOT's proportional percentage at Aug. 31, 2021 was 7.34 percent. TxDOT's proportion of the collective net OPEB liability was based on its contributions to the OPEB plan relative to the contributions of all the employers and non-employer contributing entities to the plan for the period Sept. 1, 2020 through Aug. 31, 2021.

The schedule of changes in TxDOT's net OPEB liability for the fiscal year ending Aug. 31, 2022, is presented as follows:



| <b>Schedule of Changes in Net OPEB Liability</b>                             |   |  |   |
|--|---|--|---|
| (Amounts in Thousands)   |   |  |   |
|  | <b>Total OPEB<br/>Liability<br/>(a)</b> | <b>Plan<br/>Fiduciary<br/>Net Position<br/>(b)</b> | <b>Net OPEB<br/>Liability<br/>(a) - (b)</b> |
| Balances at 09/01/21   | \$ 2,439,991                            | 34,869   | \$ 2,405,122                                |
| Changes for the year:  |   |  |   |
| Service Cost   | 114,899                                 |  | 114,899                                     |
| Interest   | 55,456                                  |  | 55,456                                      |
| Differences between Expected and Actual Experience                           | (1,159)                                 |  | (1,159)                                     |
| Contributions-Employer   |   | 56,292   | (56,292)                                    |
| Contributions-Non-employer Contributing Entities                             |   | 2,877  | (2,877)                                     |
| Contributions-Employee   |   | 14,128   | (14,128)                                    |
| Contributions-Federal Revenues for Medicare Part D RDS                       |   | 116  | (116)                                       |
| Other (Federal Revenues and Other Additions)                                 |   | 7,785  | (7,785)                                     |
| Other (Other Additions)  |   | 4  | (4)   |
| Net Investment Income  |   | 17   | (17)  |
| Benefit Payments, including Refunds of Employee-Contributions                | (56,420)                                | (56,420)   | 0   |
| Benefit Payments financed by Employee-<br>Contributions and Federal Revenues |   | (21,913)   | 21,913                                      |
| Administrative Expense   |   | (632)  | 632   |
| Assumption Changes   | 97,327                                  |  | 97,327                                      |
| Net Effect of the Change in TxDOT's Proportional Percentage                  | 21,079                                  |  | 21,079                                      |
| Net Changes  | 231,182                                 | 2,254  | 228,928                                     |
| Balances at 08/31/22   | \$ 2,671,173                            | \$ 37,123  | \$ 2,634,050                                |

For the year ending Aug. 31, 2022, TxDOT recognized a negative OPEB expense of \$219.5 million. All contributions by employers and the State of Texas Non Employer Contributing Entity (NECE) to the Group Employees Life, Accident and Health Insurance and Benefits Fund Program (GBP) are available to pay claims of active and retired members. Employer and NECE contributions are based on a blended rate. Allocation of the OPEB liability and related accounts should be based on the total contributions that are available to pay current and future claims of the OPEB plan, as this best reflects the relationship between the contributions and the collective net OPEB liability. The employer's proportional share of OPEB contributions for the measurement year ending Aug. 31, 2021 includes both active and retiree contributions.

As of Aug. 31, 2022, TxDOT reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| <b>Outstanding Deferred Outflows and Deferred Inflows Related to OPEB at August 31, 2022</b> |   |  |         |
|--|---|--|---------|
| (Amounts in Thousands)   |   |  |         |
|  | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |         |
| Difference between Expected and Actual Experience  | \$  | \$   | 64,610  |
| Changes of Assumptions   | 180,337                                       |  | 293,374 |
| Net Difference between Projected and Actual Investment Return                                | 467   |  |         |
| Change in Proportion & Contribution Difference   | 48,744  |  |         |
| Contributions Subsequent to the Measurement Date   | 219,022                                       |  |         |
| Total  | \$ 448,570                                    | \$   | 357,984 |

The \$219.0 million reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liability for the year ending Aug. 31, 2023.

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense in the following years:

| <b>Fiscal Year Ended August 31:</b> |    |           |
|-------------------------------------|----|-----------|
| <b>(Amounts in Thousands)</b>       |    |           |
| 2023                                | \$ | (320,845) |
| 2024                                | \$ | 50,837    |
| 2025                                | \$ | 68,419    |
| 2026                                | \$ | 41,957    |
| 2027                                | \$ | 31,196    |
| Thereafter                          | \$ | 0         |

## NOTE 11 – INTERFUND ACTIVITY AND TRANSACTIONS

Interfund activity refers to financial interactions between funds and/or blended component units and is restricted to internal events. Interfund transactions refer to financial interactions between TxDOT and another agency of the state of Texas.

Interfund services are sales and purchases of goods and services between funds for a price approximating their external exchange value. This activity is reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts are reported as receivables and payables.

Interfund transfers represent the flow of assets (cash or goods) without equivalent flow of assets in return or a requirement for repayment. In governmental funds, transfers are reported as other financing uses or sources. Transfers are reported in proprietary funds after nonoperating revenues and expenses in the statement of revenues, expenses and changes in fund net position.

As a general rule, the effect of interfund activity within TxDOT funds is eliminated from the entity-wide financial statements, with exception of activities between governmental activities and business-type activities. Interfund activity with fiduciary funds is reclassified and reported as an external activity.

### *Interfund Activity*

TxDOT's operations are primarily managed through the state highway fund. As such, several routine transfers are reported between the state highway fund and TxDOT's other major and nonmajor funds. The following tables detail the principal purposes of TxDOT's significant routine interfund transfers as well as provide a summary of interfund transfers by individual major funds, nonmajor funds in the aggregate and fiduciary funds.

| <b>Interfund Transfers In/Out by Purpose</b>  |   |   |               |
|---|---|---|---------------|
| August 31, 2022 (Amounts in Thousands)  |   |   |               |
| <b>Purpose</b>  | <b>Interfund<br/>Transfer In (Fund)</b> | <b>Interfund<br/>Transfer Out (Fund)</b>  | <b>Amount</b> |
| Reimburse the state highway fund for costs incurred on projects funded by local government contributions.                                     | State Highway Fund                      | County/Political Subdivision/<br>Local Government<br>Road/Airport Trust Account | \$ 165,496    |
| Provide funds to pay debt service principal and interest payments on outstanding Proposition 12/Highway Improvement General Obligation Bonds. | Proposition 12<br>Debt Service Fund     | State Highway Fund  | \$ 273,874    |
| Provide funds to pay debt service principal and interest payments on outstanding Proposition 14/State Highway Fund Revenue Bonds.             | Proposition 14<br>Debt Service Fund     | State Highway Fund  | \$ 325,023    |

| <b>Interfund Transfers In/Out</b>      |                                     |                                      |
|--|-------------------------------------|--------------------------------------|
| August 31, 2022 (Amounts in Thousands) |                                     |                                      |
|  | <b>Transfers In<br/>Other Funds</b> | <b>Transfers Out<br/>Other Funds</b> |
| Governmental Funds                     |                                     |                                      |
| Major Funds:                           |                                     |                                      |
| State Highway Fund                     | \$ 165,657                          | \$ 713,942                           |
| Texas Mobility Fund                    | 115,027                             |                                      |
| Nonmajor Funds                         | <u>598,897</u>                      | <u>165,496</u>                       |
|  | <u>879,581</u>                      | <u>879,438</u>                       |
| Proprietary Funds                      |                                     |                                      |
| Major Funds:                           |                                     |                                      |
| Central Texas Turnpike System          |                                     | 161                                  |
| Grand Parkway Transportation Corp.     | <u>18</u>                           |                                      |
|  | <u>18</u>                           | <u>161</u>                           |
| Total                                  | \$ <u>879,599</u>                   | \$ <u>879,599</u>                    |

Interfund reimbursements are repayments from funds responsible for payment of expenditures or expenses to the funds that initially made the payment on their behalf. Reimbursements are not displayed in the financial statements.

Amounts not transferred at fiscal year-end are accrued as due to/due from other funds. Due to/due from amounts between governmental or business-type activities and fiduciary funds are reported as due to/due from amounts between funds in the fund financial statements and are reclassified to receivables from fiduciary funds/payables to fiduciary funds, as if they were external transactions in the entity-wide financial statements.

| <b>Due From/To</b>                     |                                 |                               |
|--|---------------------------------|-------------------------------|
| August 31, 2022 (Amounts in Thousands) |                                 |                               |
|  | <b>Due From<br/>Other Funds</b> | <b>Due To<br/>Other Funds</b> |
| Governmental Funds                     |                                 |                               |
| Major Funds:                           |                                 |                               |
| State Highway Fund                     | \$ 75,380                       | \$ 62,960                     |
| Texas Mobility Fund                    |                                 | 370                           |
| Nonmajor Funds                         | <u>12,960</u>                   | <u>36,606</u>                 |
|  | <u>88,340</u>                   | <u>99,936</u>                 |
| Proprietary Funds                      |                                 |                               |
| Major Funds:                           |                                 |                               |
| Central Texas Turnpike System          | 25,545                          | 15,179                        |
| Grand Parkway Transportation Corp.     | 7,517                           | 6,547                         |
| SH249 System                           | <u>260</u>                      |                               |
|  | <u>33,322</u>                   | <u>21,726</u>                 |
| Total                                  | \$ <u>121,662</u>               | \$ <u>121,662</u>             |

Activity occurring within the same fund is eliminated. Certain reclassifications and eliminations are made between the fund financial statements and the entity-wide financial statements. Transfers between the governmental or business-type activities and the fiduciary funds are reported as transfers on the fund financial statements and are reclassified to revenues and expenses, as if they were external

transactions on the entity-wide financial statements. Additional eliminations are made and transfers in and out are netted and presented in the entity-wide statement of activities as “transfers-internal activities”.

| <b>Transfers-Internal Activities per the Entity-Wide Financial Statements</b>                                     |    |                     |
|---|----|---------------------|
| August 31, 2022 (Amounts in Thousands)  |    |                     |
| <b>Fund Category</b>  |    | <b>Other Funds*</b> |
| Governmental Activities   | \$ | (3,870)             |
| Business-Type Activities  | \$ | 3,870               |
| *Amounts include capital contributions of \$3.9 million from Governmental Activities to Business-Type Activities. |    |                     |

| <b>Internal Balances per the Entity-Wide Financial Statements</b> |                                    |                                     |    |              |
|---|------------------------------------|-------------------------------------|----|--------------|
| August 31, 2022 (Amounts in Thousands)                            |                                    |                                     |    |              |
|   | <b>Governmental<br/>Activities</b> | <b>Business-Type<br/>Activities</b> |    | <b>Total</b> |
| Current Liabilities:  |                                    |                                     |    |              |
| Internal Balances - Payables                                      | \$ 11,596                          | \$ (11,596)                         | \$ | 0            |

### ***Interfund Transactions***

The state highway fund is considered a shared fund and is appropriated for use by multiple State of Texas agencies. TxDOT is considered the controlling agency for the state highway fund and reports the total cash in state treasury balance for the fund at fiscal year-end. TxDOT reports interagency transfers in and out with the other agencies that collect and deposit to or expend out of the state highway fund.

The following tables detail the balances of transfers to/from and due to/from other state agencies and TxDOT. Approximately \$1.7 billion of the interagency transfers-in balance for the state highway fund is related to the net amount of cash collected by Texas Department of Motor Vehicles for certificate of title fees and motor vehicle registration fees. The transfer-in, received in fiscal 2022, resulted in an increase to the TxDOT highway fund cash in state treasury balance. Also, the State Highway Fund received monthly deposits from TCEQ-money to be used for congestion mitigation projects. This amount was approximately \$172.3 million.

On Nov. 4, 2014, Texas voters approved the ballot measure that authorized a constitutional amendment for transportation funding. Under the amendment, half of the funds that would have previously gone into the Economic Stabilization Fund (ESF), are now deposited to the state highway fund. TxDOT recorded a due from in the state highway fund related to Proposition 1 ballot measure in the amount of \$3.6 billion in fiscal 2022. The Comptroller of Public Accounts transferred this amount to TxDOT in November 2022.

Austin Campus Consolidation Project Fund captures the activity related to the construction of TxDOT headquarters, which reached substantial completion on Apr. 30, 2022. Texas Public Financing Authority (TPFA) is the controlling agency of this fund. TxDOT and TPFA have entered into an agreement whereby TPFA has issued an obligation on behalf of TxDOT to finance the construction of the building. TxDOT considers this obligation as a long-term liability. \$8.4 million reported as due from agencies is the remaining amount of money that TPFA would provide TxDOT for the construction of TxDOT headquarters.

TxDOT also has interagency activity with federal funds. See Schedule 1A of this report for more details.

| <b>Transfers In/Out to Other State Agencies</b> |  |   |
|---|--|---|
| August 31, 2022 (Amounts in Thousands)          |  |   |
|   | <b>Transfers In<br/>Other Agencies</b> | <b>Transfers Out<br/>Other Agencies</b> |
| Governmental Funds                              |  |   |
| Major Funds:                                    |  |   |
| State Highway Fund                              | \$ 1,885,023                           | \$ 7,797                                |
| Nonmajor Funds                                  | 82,421                                 | 32                                      |
| Total   | \$ 1,967,444                           | \$ 7,829                                |

| <b>Due From/To Other State Agencies</b> |                                    |                                  |
|---|------------------------------------|----------------------------------|
| August 31, 2022 (Amounts in Thousands)  |                                    |                                  |
|   | <b>Due From<br/>Other Agencies</b> | <b>Due To<br/>Other Agencies</b> |
| Governmental Funds                      |                                    |                                  |
| Major Funds:                            |                                    |                                  |
| State Highway Fund                      | \$ 3,872,867                       | \$ 3,599                         |
| Nonmajor Funds                          | 25,081                             |                                  |
| Total                                   | \$ 3,897,948                       | \$ 3,599                         |

| <b>Pass-Throughs To/From Other State Agencies</b> |                           |
|---|---------------------------|
| August 31, 2022 (Amounts in Thousands)            |                           |
|   | <b>State Highway Fund</b> |
| Federal Pass-throughs:                            |                           |
| Expenditures                                      | \$ (13,269)               |
| Revenue   | 25,591                    |
| Total   | \$ 12,322                 |
| State Pass-throughs:                              |                           |
| Expenditures                                      | \$ (98)                   |
| Revenue   | 24,996                    |
| Total   | \$ 24,898                 |

**NOTE 12 – CONTINUANCE SUBJECT TO REVIEW**

TxDOT is currently subject to a continuance review. Under the Texas Sunset Act, TxDOT will be abolished effective Sept. 1, 2029, unless continued in existence by the 91st Legislature as provided by the Act. If abolished, TxDOT may continue until Sept. 1, 2030 to wind down its operations. In the event that TxDOT is abolished pursuant to the Texas Sunset Act or other law, Texas Government Code, Section 325.017(f), acknowledges that such action will not alter the obligation of the state to pay bonded indebtedness and all other obligations of the abolished agency.

**NOTE 13 - CLASSIFICATION OF FUND BALANCE AND NET POSITION**

The table below presents a summary of the Aug. 31, 2022 governmental fund balances by major and nonmajor governmental funds. With the exception of non-spendable fund balances, fund balances are presented based on specific purpose for which the funds are restricted, committed, assigned or unassigned.

| <b>Governmental Fund Balances –<br/>Disaggregation of Nonspendable, Restricted, Committed, Assigned and Unassigned Fund Balances<br/>August 31, 2022 (Amounts in Thousands)</b> |                               |                                  |                               |                                   |                                     |
|---|-------------------------------|----------------------------------|-------------------------------|-----------------------------------|-------------------------------------|
| <b>MAJOR FUNDS</b>  | <b>State Highway<br/>Fund</b> | <b>Texas Mobility<br/>Fund</b>   | <b>Total<br/>Major Funds</b>  |                                   |                                     |
| Nonspendable:   |                               |                                  |                               |                                   |                                     |
| Inventory   | \$ 144,050                    | \$                               | \$ 144,050                    |                                   |                                     |
| Restricted For:   |                               |                                  |                               |                                   |                                     |
| Transportation-Construction   | 7,097,396                     |                                  | 7,097,396                     |                                   |                                     |
| Debt Service  |                               | 261,936                          | 261,936                       |                                   |                                     |
| Committed To:   |                               |                                  |                               |                                   |                                     |
| Transportation-Construction   | 631,840                       | 199,633                          | 831,473                       |                                   |                                     |
| Assigned To:  |                               |                                  |                               |                                   |                                     |
| Transportation  | 923,117                       |                                  | 923,117                       |                                   |                                     |
| Total   | <u>8,796,403</u>              | <u>461,569</u>                   | <u>\$ 9,257,972</u>           |                                   |                                     |
| <b>NONMAJOR FUNDS</b>   | <b>General Funds</b>          | <b>Special<br/>Revenue Funds</b> | <b>Debt Service<br/>Funds</b> | <b>Capital<br/>Projects Funds</b> | <b>Total<br/>Nonmajor<br/>Funds</b> |
| Restricted For:   |                               |                                  |                               |                                   |                                     |
| Capital Projects  | \$                            | \$                               | \$                            | \$ 6,648                          | \$ 6,648                            |
| Debt Service  |                               |                                  | 170,654                       |                                   | 170,654                             |
| Committed To:   |                               |                                  |                               |                                   |                                     |
| Transportation-Construction   |                               | 5,809                            |                               |                                   | 5,809                               |
| Assigned To:  |                               |                                  |                               |                                   |                                     |
| Transportation  | 13,703                        |                                  |                               |                                   | 13,703                              |
| Unassigned  | (13,452)                      |                                  |                               |                                   | (13,452)                            |
| Total   | <u>\$ 251</u>                 | <u>\$ 5,809</u>                  | <u>\$ 170,654</u>             | <u>\$ 6,648</u>                   | <u>\$ 183,362</u>                   |

Restrictions of net position are listed on the face of the entity-wide and proprietary statements of net position. Balances reported as restricted in the fund financial statements are reported as restricted in the statement of net position. All other fund financial balances are reported as unrestricted in the statement of net position.

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

**Adjustments to Fund Balances/ Net Position**

(Amounts in Thousands)

|   | September 1,<br>2021, as<br>Previously<br>Reported | Adjustments/<br>Reclassifications | September 1, 2021<br>as Restated |
|---|--|-----------------------------------|----------------------------------|
| <b>GOVERNMENTAL ACTIVITIES</b>            |  |                                   |                                  |
| Major Funds:                              |  |                                   |                                  |
| State Highway Fund                        | \$ 8,034,289                                       | (3,096) (A)                       | 8,031,193                        |
| Texas Mobility Fund                       | 389,265  |                                   | 389,265                          |
| Total Major Funds                         | 8,423,554  | (3,096)                           | 8,420,458                        |
| Nonmajor Funds:                           |  |                                   |                                  |
| General Fund Accounts                     | 7,058  |                                   | 7,058                            |
| Special Revenue Fund                      | 5,779  |                                   | 5,779                            |
| Debt Service Fund                         | 236,109  |                                   | 236,109                          |
| Capital Projects Fund                     | 98,210   |                                   | 98,210                           |
| Total Nonmajor Funds                      | 347,156  | 0                                 | 347,156                          |
| Governmental Activities Adjustments       |  |                                   |                                  |
| Capital Assets                            | 127,452,466  | 16,999 (A)                        | 127,469,465                      |
| Long-Term Liabilities                     | (32,803,099)                                       | (16,167) (A)                      | (32,819,266)                     |
| Other Adjustments                         | 1,587,706  |                                   | 1,587,706                        |
| Total Governmental Activities Adjustments | 96,237,073   | 832                               | 96,237,905                       |
| Total Governmental Activities             | 105,007,783  | (2,264)                           | 105,005,519                      |
| <b>BUSINESS-TYPE ACTIVITIES</b>           |  |                                   |                                  |
| Central Texas Turnpike System             | 273,412  |                                   | 273,412                          |
| Grand Parkway Transportation Corp.        | (420,852)  |                                   | (420,852)                        |
| SH249 System                              | 240,920  |                                   | 240,920                          |
| Total Business-Type Activities            | 93,480   | 0                                 | 93,480                           |
| Total Primary Government                  | \$ 105,101,263                                     | \$ (2,264)                        | \$ 105,098,999                   |

(A) The \$3.1 million restatement for the State Highway Fund, the \$17.0 million restatement in Entity-wide governmental Capital Assets and the \$16.2 million restatement in the Entity-wide governmental Long-Term Liabilities were due to a change in accounting principle after implementation of GASB 87 Leases in fiscal 2022. TxDOT restated beginning fund balance and net position for the State Highway Fund and Governmental Activities, respectively, for lease prepayments received or paid prior to the implementation date of the standard. TxDOT also restated the beginning Right-to-Use Assets and Lease Obligations in Governmental Activities for lessee leases already in effect as of the transition date of Sept. 1, 2021, as well as restating the State Highway Fund's beginning deferred inflows of resources for leases.



## **NOTE 15 – COMMITMENTS AND CONTINGENCIES**

### **Contingencies**

#### *Unpaid Claims and Lawsuits*

The type and volume of activity for which TxDOT is responsible exposes it to a large number of claims and lawsuits. TxDOT has vigorously contested lawsuits brought against it and has usually prevailed or made settlements substantially less than the amounts originally sought.

TxDOT is exposed to claims by contractors. TxDOT will most likely settle these claims at substantially less than the amount originally sought. However, if a settlement between TxDOT's claims committee and the contractor cannot be reached, these claims will result in future litigation. As of Aug. 31, 2022, outstanding contractor claims pending at the TxDOT claims committee totaled \$108.5 million.

Settlements are paid by the Texas Comptroller of Public Accounts from the claims and refunds appropriation. The Attorney General's office indicates that the lawsuits listed below were pending as of Aug. 31, 2022. TxDOT management's opinion is that the probable outcome of these cases will not materially affect the financial position of TxDOT.

| <b>Type of Suit</b>                 | <b>Amounts in Controversy</b>  |
|-------------------------------------|--|
| Contract                            | Amounts claimed range from \$2 thousand to \$996 thousand. Total claims of amounts indicated is \$2.2 million.   |
| Inverse Condemnation                | Monetary amounts have not been specified in any of these cases.  |
| Declaratory Judgment                | Monetary amounts have not been specified in any of these cases.  |
| Eminent Domain                      | Total claims with amounts indicated range from \$216 to \$8.5 million with a total of \$564.6 million.   |
| Employment Law and Related Lawsuits | Monetary amounts have not been specified in any of these cases. Liability against TxDOT is limited to \$600 thousand; however, there is no limit on attorney fees and front pay. |
| Tort Claims                         | Statutory limits of liability on these cases are \$250 thousand per person or \$500 thousand per accident.   |
| Workers' Compensation               | Monetary amounts have not been specified in any of these cases.  |

#### **Arbitrage**

Rebatable arbitrage defined by Internal Revenue Code (IRC), Section 148, is earnings on tax exempt bond proceeds in excess of the yield on the bond. The rebatable arbitrage must be repaid to the federal government. Pursuant to the applicable bond Indenture of Trust, a Rebate Fund will be established under the Indenture to which deposits will be made upon the determination by a verification agent that a rebate payment may be due. The amount of rebate due to the federal government is determined and payable during each five-year period and upon final payment of the tax-exempt bonds. IRC Section 148 also provides for certain rebate exceptions, including an exception if certain spend-out requirements of the bond proceeds are met. TxDOT estimates that rebatable arbitrage liability, if any, will be immaterial to the agency's overall financial condition.

#### **Federal Reimbursements and Grants**

TxDOT 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 grant agreements and applicable federal regulations, including the expenditure of assistance for allowable purposes. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based on prior experience, management believes such disallowance, if any, will be immaterial.

On Dec. 16, 2011, TxDOT and the Federal Highway Administration (FHWA) approved and executed a Memorandum of Understanding (MOU) for FHWA participation in TxDOT's pass-through funding (PTF) program. This MOU will apply to all pass-through finance (PTF) projects approved by TxDOT after Feb. 26, 2009 with some stipulations as detailed within the agreement. This agreement was done in order to facilitate maximum Federal reimbursement on TxDOT PTF projects. The MOU is not applicable to any PTF project agreements executed prior to Feb. 26, 2009. Federal reimbursement for these projects will be set up on an individual basis in separate agreements between TxDOT and FHWA and with compliance reviews being performed on each project.

### ***Significant Commitments***

#### ***Construction Related Contracts***

As of Aug. 31, 2022, TxDOT had outstanding contractual commitments related to the award of construction contracts, terms of outstanding design-build contracts and terms requiring contribution of public funds to provide for a portion of construction costs related to service concession arrangements (SCAs). Of the amounts committed under these contracts, TxDOT expects to receive future reimbursements from the Federal Highway Administration (FHWA). In addition, the Grand Parkway Transportation Corporation (GPTC), our blended component unit, has outstanding construction commitments. Disclosure of these construction related commitments and potential FHWA reimbursement is displayed below.

| <b>Construction Related Contract Commitments</b> |                                       |                                |
|--|---------------------------------------|--------------------------------|
| August 31, 2022 (Amounts in Thousands)           |                                       |                                |
|  | <b>Total Remaining<br/>Commitment</b> | <b>FHWA<br/>Reimbursements</b> |
| Construction Contracts                           | \$ 14,389,595                         | \$ 6,468,309                   |
| Design-Build Projects                            | 4,948,477                             | 1,759,942                      |
| SCA Projects                                     | 1,197                                 | 2,360                          |
| GPTC Project                                     | 21,841                                |                                |
| Totals   | \$ 19,361,110                         | \$ 8,230,611                   |

#### ***Pass-Through Toll Agreements***

Transportation Code, Section 222.104 authorizes TxDOT to enter into an agreement with a public or private entity that provides for the payment of pass-through tolls to the public or private entity as reimbursement for the design, development, financing, construction, maintenance, or operation of a toll or non-toll facility on the state highway system by the public or private entity. As of Aug. 31, 2022, there were 27 active pass-through financing agreements.

TxDOT recognizes liabilities associated with pass-through toll projects as notes payable as the projects are being constructed. Notes payable amounts are determined by contractually negotiated agreements with pass-through toll partners. See Note 5 for details on the payables recognized related to pass-through toll repayment obligations.

The maximum total remaining repayment commitments for pass-through toll projects executed as of Aug. 31, 2022 was approximately \$528.9 million. Approximately \$1.2 billion was repaid as of Aug. 31, 2022 since the inception of the pass-through toll agreements. The actual repayment obligation for each agreement is not determinable until total construction costs are known.

#### ***Toll Equity Grants and Loan Agreements***

Transportation Code, Section 222.103 authorizes TxDOT to participate, by spending money from any available source, in the cost of acquisition, construction, maintenance or operation of a toll facility of a public or private entity. The Commission adopted administrative rules (toll equity rules) to prescribe conditions for the Commission's financing of such toll facilities. Under these guidelines the Commission has committed funds in the form of toll equity grants and toll equity loans. As of Aug. 31, 2022, the Commission has outstanding toll equity grant commitments and toll equity loan commitments totaling \$160.8 million and \$8.9 billion, respectively. Payments of these amounts are made subject to executed financial assistance agreements between TxDOT and the applicable public or private entity.

The toll equity loan commitment is related to a toll equity loan agreement (TELA) with the GPTC. This agreement makes a loan available to be drawn on in the event revenues and certain reserves are insufficient to pay certain debt service or operations and maintenance costs of the toll systems of aforementioned entities.

The GPTC funds financed by TELA-supported debt are to be used to pay for certain costs relating to the development, construction, operation, maintenance and financing of Segments D (Harris County), E, F1, F2, G, H, and I and the predevelopment of possible extensions or expansions of the Grand Parkway. The maximum amount of money that can be paid by TxDOT to GPTC under the TELA is equal to the aggregate amount of costs that are authorized under Article 8, Section 7-a of the Texas Constitution and Section 222.103 of the Texas Transportation Code, i.e. the “Eligible Costs”.

#### ***NOTE 16 – SUBSEQUENT EVENTS***

On Sept. 23, 2022, S&P Global Ratings raised its long-term rating from 'BBB' to 'BBB+' on the Grand Parkway Transportation Corporation's (GPTC) first-tier toll revenue bonds citing favorable transaction and revenue growth trends exceeding forecasted levels.

On Oct. 11, 2022, TxDOT received a \$94.3 million loan pay-off from the North Texas Tollway Authority (NTTA) for the President George Bush Turnpike. Of the amount received, \$91.3 million fully reduced NTTA's outstanding principal balance and \$3.0 million was recognized as interest.

The United States Department of Transportation (USDOT) approved a secured loan made to GPTC under the Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA) in 2021 in a principal amount not to exceed \$605.3 million. GPTC drew the TIFIA loan on Nov. 15, 2022. The TIFIA proceeds will be used to pay off the 2018 Bond Anticipation Notes that funded the H&I project when they mature on Feb. 1, 2023.

## **NOTE 17 – RISK MANAGEMENT**

TxDOT is exposed to various risks of loss related to property, general and employer liability, net income, and personnel. TxDOT and its employees are covered by various immunities and defenses that limit some of these risks of loss, particularly in liability actions brought against TxDOT or its employees. Remaining exposures are managed by self-insurance arrangements.

The activity related to claims and judgments for the year is recorded in the below table.

| <b>Claims and Judgments</b>            |                      |           |           |                |
|--|----------------------|-----------|-----------|----------------|
| August 31, 2022 (Amounts in Thousands) |                      |           |           |                |
|  | Beginning<br>Balance | Increases | Decreases | Ending Balance |
| 2022                                   | \$ 0                 | 19,633    | (19,633)  | \$ 0           |
| 2021                                   | \$ 0                 | 19,803    | (19,803)  | \$ 0           |

### ***Property and Liability***

TxDOT administers a self-insured workers compensation program. Due to the nature of worker compensation claims, amounts are not reasonably estimable. Claims are paid as they become due.

TxDOT self-insures the Central Texas Turnpike System, the Interstate Highway 35E Managed Lanes, and the SH 249 System. GPTC self-insures the Grand Parkway System. Each system or project is insured through funds on deposit within its Rate Stabilization Fund. Amounts on deposit in Rate Stabilization Funds for self-insurance has been certified as actuarially sound by AMI Risk Consultants, Inc for CTTS, IH 35E, SH 249 system, and GPTC. To date, neither TxDOT or GPTC have had to draw upon the Rate Stabilization Fund to settle any claims, and therefore settlements have not exceeded self-insurance coverage.

During the fiscal year, the Texas Transportation Commission maintained a Not-for-Profit Entity and Directors, Officers Liability Insurance Policy Including Employment Practices Claims Coverage in connection with the Central Texas Turnpike System and the SH 249 System. Grand Parkway Transportation Corporation also maintained Directors and Officers Liability insurance and certain public official's liability coverage for the Grand Parkway System.

### ***Health, Life and Dental***

Insurance coverage is provided to active state employees and their dependents by one of three health plan administrators. All TxDOT employees are included in the Texas Employees Group Benefits Program (GBP) administered by the Employees Retirement System of Texas (ERS).

Claims for health, life, accidental death and dismemberment (AD&D), disability and dental insurance coverages are established under the GBP. These coverages are provided through a combination of insurance contracts, a self-funded health plan, a self-funded dental indemnity plan, HMO contracts and dental health maintenance organizations (DHMO) contracts.

### ***Commitments***

TxDOT incurs commitments related to outstanding construction contracts and comprehensive development agreements. Further detail of these commitments is provided in Note 15.

## **NOTE 18 - FINANCIAL REPORTING ENTITY**

As required by Generally Accepted Accounting Principles, the financial statements present TxDOT, a state agency, and its component units. The component units discussed in this note are included in TxDOT's reporting entity because of the significance of their operational and financial relationships with TxDOT.

### ***Blended Component Units***

The Commission is authorized to create Transportation Corporations in Transportation Code, Chapter 431. The Commission approves the creation of transportation corporations, approves the articles of incorporation, appoints directors and approves by-laws. At any time, the Commission may terminate and dissolve a transportation corporation. In the event of dissolution or liquidation of a corporation, all assets shall be turned over to TxDOT.

As of Aug. 31, 2022, two transportation corporations are authorized by the Commission. In both instances TxDOT contains the voting majority, is able to impose its will upon the transportation corporations, and the services of both transportation corporations' benefit TxDOT. Furthermore, the two transportation corporations are classified as blended component units.

The Texas Private Activity Bond Surface Transportation Corporation (TxPABST) acts on behalf of TxDOT in the promotion and development of transportation facilities, by issuing private activity bonds for projects developed under comprehensive development agreements (CDAs) entered into by TxDOT. Bonds issued by TxPABST are not legal obligations of the state of Texas and are payable solely from payments received or on behalf of a CDA developer. See Note 6 for additional details about the TxPABST private activity bond issuances as of Aug. 31, 2022. TxPABST does not publish financial statements. Further information can be obtained by writing:

Texas Private Activity Bond Surface Transportation Corporation  
125 East 11th Street  
Austin, Texas 78701

The Grand Parkway Transportation Corporation (GPTC) acts on behalf of TxDOT in the promotion and development of the Grand Parkway Project, by issuing bonds and entering into comprehensive development agreements with developers for the design and construction of several segments of the Grand Parkway project. Bonds issued by GPTC are not legal obligations of the state of Texas and are payable solely from revenues and other funds of the Grand Parkway System, which is comprised of Segments D in Harris County, E, F-1, F-2, G, H, I-1, I-2A and I-2B located in Chambers, Harris, Liberty and Montgomery Counties. See Note 6 for additional details about the GPTC bond issuances as of Aug. 31, 2022. GPTC has a fiscal year end of Aug. 31, 2022, consistent with TxDOT. The financial activity of GPTC is reported as a Proprietary fund within the accompanying financial statements of TxDOT. Further information can be obtained by writing:

Grand Parkway Transportation Corporation  
Financial Management Division  
125 East 11th Street  
Austin, Texas 78701

**NOTE 19 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

*Changes in Accounting Principles*

The implementation of GASB statements is addressed in Note 1.

*Deficit Fund Balance and Net Position*

Grand Parkway Transportation Corporation (GPTC) had a \$534.1 million deficit net position at the end of fiscal 2022. The deficit is due to accretion on outstanding bonds and notes and the accumulated amortization of the intangible assets for the two service concession projects operated by GPTC.

Coronavirus Relief fund had a \$13.4 million deficit fund balance at the end of fiscal 2022. The entire deficit fund balance represents the portion of the federal receivable balance in the fund that was unavailable within 60 days of fiscal year-end.

## NOTE 20 – SERVICE CONCESSION ARRANGEMENTS

As of Aug. 31, 2022, TxDOT has entered into ten agreements that are classified as service concession arrangements (SCA) under the definition established by the Governmental Accounting Standards Board. An SCA is an arrangement between TxDOT and an operator in which all of the following criteria are met:

- TxDOT conveys to the operator the right and related obligation to provide public services through the use and operation of an infrastructure asset in exchange for significant consideration, such as up-front payments, a new infrastructure asset, or improvements to an existing infrastructure asset.
- The operator collects and is compensated by fees from third parties. In all of the active TxDOT SCAs these fees are in the form of tolls.
- TxDOT determines or has the ability to modify or approve what services the operator is required to provide, to whom the operator is required to provide the services and the rates that can be charged for the services.
- TxDOT is entitled to significant residual interest in the service utility of the infrastructure asset at the end of the arrangement.

SCA projects were entered to:

- Improve mobility by expanding existing road capacity and introducing managed toll lanes, traditional toll lanes and other strategies aimed at reducing traffic congestion.
- Enable TxDOT to deliver these projects faster than would be possible using traditional funding sources.
- Shift the majority of the financial risk to the operator.

TxDOT may enter into SCAs with both public and private operators. At the end of these arrangements, operations and maintenance of the projects will transfer to TxDOT. The state of Texas retains ownership rights and title to all assets associated with an SCA.

The structure of each SCA is different due to the unique financial aspects of each arrangement. In all cases, TxDOT receives a benefit due to the department's retention of ownership of the project at end of the concession term. The following table summarizes the status, term and duration of each currently active SCA.

| <b>Service Concession Arrangements</b>  |                            |                           |                         |                       |
|---|----------------------------|---------------------------|-------------------------|-----------------------|
| As of August 31, 2022   |                            |                           |                         |                       |
| <b>Arrangement Name</b>   | <b>Construction Status</b> | <b>Term of Concession</b> | <b>Concession Begin</b> | <b>Concession End</b> |
| IH 10 "Katy Managed Lanes"  | Complete                   | 46 years                  | 2010                    | 2055 *                |
| SH 130 Segments 5 and 6   | Complete                   | 50 years                  | 2012                    | 2062                  |
| SH 121 Concession   | Complete                   | 50 years                  | 2009                    | 2059                  |
| North Tarrant Exp Seg 1 and 2-West  | Complete                   | 52 years                  | 2009                    | 2061                  |
| North Tarrant Exp Seg 3A and 3B   | Complete                   | 52 years                  | 2009                    | 2061                  |
| LBJ/IH-635 Managed Lanes  | Complete                   | 52 years                  | 2009                    | 2061                  |
| Grand Parkway Seg D, E, F1, F2, G   | Complete                   | 40 years                  | 2013                    | 2053 *                |
| Grand Parkway Seg H - I   | Complete                   | 36 years                  | 2018                    | 2053 *                |
| SH 288  | Complete                   | 52 years                  | 2016                    | 2068                  |
| North Tarrant Exp Seg 3C  | Under Construction         | 42 years                  | 2019                    | 2061                  |
| * Estimated. Concession period extends until Harris County/GPTC is fully reimbursed for costs of construction and debt service. |                            |                           |                         |                       |

In the year in which an SCA project opens for traffic TxDOT records the capital assets acquired under the SCA at their acquisition value with a corresponding entry to deferred inflow of resources. The deferred inflow of resources balance will then be reduced and revenue will be recognized in a systematic manner over the term of the arrangement, beginning when the infrastructure asset is placed into operations. Up-front concession payments received are recorded as assets (cash in state treasury) with an offset to deferred inflow of resources on the government-wide financial statements. Revenue is recognized and the deferred inflow of resources is reduced in a systematic and rational manner over the term of the arrangement.

| <b>Service Concession Arrangements - Amounts Recognized in Financial Statements – Governmental Activities</b>  |                                |                       |  |
|--|--------------------------------|-----------------------|--|
| August 31, 2022 (Amounts in Thousands)   |                                |                       |  |
| <b>Arrangement Name</b>  | <b>Cash in State Treasury*</b> | <b>Capital Assets</b> | <b>Deferred Inflows of Resources**</b> |
| IH 10 "Katy Managed Lanes"   | \$                             | \$ 250,000            | \$ 179,348                             |
| SH 130 Segments 5 and 6  | 26,827                         | 1,435,816             | 1,224,135                              |
| SH 121 Concession  | 204,322                        | 1,336,606             | 2,791,217                              |
| North Tarrant Exp Seg 1 and 2-West   |                                | 2,400,857             | 1,422,868                              |
| North Tarrant Exp Seg 3A and 3B  |                                | 2,005,056             | 1,230,562                              |
| LBJ/IH-635 Managed Lanes   |                                | 2,683,719             | 1,758,529                              |
| Grand Parkway Seg D, E, F1, F2, G  |                                | 2,522,868             | 2,044,856                              |
| SH 288   | 8,659                          | 1,031,384             | 931,615                                |
| GPTC H&I   |                                | 1,219,563             | 1,181,452                              |
| North Tarrant Exp Seg 3C   |                                | 27,371                |  |
| Total  | \$ 239,808                     | \$ 14,913,241         | \$ 12,764,581                          |
| * The balance of cash in state treasury is the amount of unspent up-front concession payments.   |                                |                       |  |
| ** The deferred inflows of resources balance that relates to up-front payments received is recorded in governmental fund financials as other financing sources in the year received. |                                |                       |  |

In some cases, TxDOT is obligated to make contributions of public funds to the SCA project during the construction period for portions of the project's design, construction or right-of-way costs. Outlays of TxDOT funds related to SCA projects are recorded as additions to construction in progress as they are incurred. In addition, TxDOT has committed funds in the form of a toll equity loan to the Grand Parkway Transportation Corporation (GPTC). Refer to Note 15 for further detail on TxDOT commitments related to SCAs.

GPTC has recognized an intangible asset in the amount of \$3.2 billion for its costs of design, construction and right-of-way acquisition through Aug. 31, 2022. This amount is reported in the business-type activities.



**NOTE 21 – DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES**

As of Aug. 31, 2022, TxDOT reported deferred outflows of resources and deferred inflows of resources in the Statement of Net Position as presented in the table below.

| <b>Deferred Outflows and Deferred Inflows of Resources</b> |   |  |
|--|---|--|
| <b>Statement of Net Position</b>                           |   |  |
| As of August 31, 2022 (Amounts in Thousands)               |   |  |
| <b>Description</b>   | <b>Deferred Outflows<br/>of Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
| <b>Governmental Activities</b>                             |   |  |
| Loss on Bond Refunding                                     | \$ 181,675                                | \$   |
| Gain on Bond Refunding                                     |   | 30,773                                       |
| Pensions (Note 8)  | 482,539                                   | 1,992,616                                    |
| Service Concession Arrangements (Note 20)                  |   | 12,764,581                                   |
| Other Postemployment Benefits (Note 10)                    | 448,570                                   | 357,984                                      |
| Leases (Note 7)  |   | 4,159  |
| Total Governmental Activities                              | 1,112,784                                 | 15,150,113                                   |
| <b>Business-Type Activities</b>                            |   |  |
| Loss on Bond Refunding                                     | 194,705                                   |  |
| Gain on Bond Refunding                                     |   | 25,067                                       |
| Total Business-Type Activities                             | 194,705                                   | 25,067                                       |
| Total  | \$ 1,307,489                              | \$ 15,175,180                                |

Deferred outflows of resources in the amounts of \$181.7 million in governmental activities and \$194.7 million in business-type activities relate to losses on bond refunding transactions. The deferred inflows of \$30.8 million reported in governmental activities and \$25.1 million in business-type activities relate to gains on bond refunding transactions. These deferred outflows and inflows are amortized on a straight-line basis over the remaining life of the old debt, or the life of the new debt, whichever is shorter.

Deferred inflows of resources of \$12.8 billion reported in governmental activities relate to ten different service concession arrangements, to which TxDOT was a party, as of Aug. 31, 2022. The amount recorded in the financial statements represents the balance of unamortized upfront payments and capital improvements TxDOT received under the agreements.

TxDOT reported \$482.5 million in deferred outflows of resources and \$2.0 billion in deferred inflows of resources in governmental activities for pension-related adjustments. The reported deferred outflows of resources include TxDOT's share of pension contributions made subsequent to the measurement date and the unamortized balance of changes in assumptions used to calculate net pension liability. The reported deferred inflows of resources are comprised of the unamortized balance of other changes in the components of net pension liability.

Deferred outflows of resources of \$448.6 million and deferred inflows of resources of \$358.0 million reported in governmental activities relate to other postemployment benefits. The reported deferred outflows of resources include TxDOT's share of OPEB contributions made subsequent to the measurement date and the unamortized balance of the net difference between projected and actual return on plan investments used to calculate net OPEB liability. The reported deferred inflows of resources are comprised of the unamortized balances of differences between expected and actual experience on earnings on OPEB plan investments and changes in assumptions used to calculate net OPEB liability.

Deferred inflows of resources of \$4.2 million reported for leases represent payments received by TxDOT at or before the lease term that relate to future periods and the unamortized balance of the initial deferred inflow recognized at transition.

Deferred inflows of \$3.8 million were reported on the governmental funds balance sheet for State Highway Fund and \$15.0 million for nonmajor funds as presented in the table as follows. The deferred inflows for taxes, local revenues and federal revenues relate to

unavailable revenues that were earned as of Aug. 31, 2022, but not available within 60 days of year end. The deferred inflows for leases represent payments received by TxDOT at or before the lease term that related to future periods and the unamortized balance of the initial deferred inflow recognized at transition.

| <b>Deferred Inflows of Resources</b>         |                                      |
|--|--------------------------------------|
| <b>Balance Sheet-Governmental Funds</b>      |                                      |
| As of August 31, 2022 (Amounts in Thousands) |                                      |
| <b>Description</b>                           | <b>Deferred Inflows of Resources</b> |
| <b>State Highway Fund</b>                    |                                      |
| Oil and Natural Gas Production Tax           | \$ 3,637,494                         |
| Local Revenue                                | 143,404                              |
| Federal Revenue                              | 14,491                               |
| Motor Fuel Tax                               | 3                                    |
| Leases (Note 7)                              | 4,159                                |
| Total State Highway Fund                     | 3,799,551                            |
| <b>Nonmajor Funds</b>                        |                                      |
| Federal Revenue                              | 15,011                               |
| Total Nonmajor funds                         | 15,011                               |
| Total  | \$ 3,814,561                         |

## SECTION TWO (CONTINUED)

# REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A (UNAUDITED)

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**Texas Department of Transportation**  
**Budgetary Comparison Schedule - State Highway Fund**  
For the Fiscal Year Ended August 31, 2022 (Amount in Thousands)

|   | <u>Budgetary Amounts</u> |                     |   |                                     |
|---|--------------------------|---------------------|---|-------------------------------------|
|   | <u>Original</u>          | <u>Final</u>        | <u>Actual Amounts<br/>Budgetary Basis</u> | <u>Final to Actual<br/>Variance</u> |
| <b>REVENUES</b>                             |                          |                     |   |                                     |
| Taxes                                       | \$ 6,198,906             | \$ 7,108,279        | \$ 9,448,099                              | \$ 2,339,820                        |
| Federal                                     | 4,329,196                | 4,803,138           | 4,373,136                                 | (430,002)                           |
| State Pass-Through                          |                          |                     | 24,996                                    | 24,996                              |
| Licenses, Fees and Permits                  | 125,119                  | 125,119             | 118,019                                   | (7,100)                             |
| Interest and Investment Income              | 13,013                   | 13,013              | 54,700                                    | 41,687                              |
| Land Income                                 |                          |                     | 33,132                                    | 33,132                              |
| Settlement of Claims                        |                          |                     | 36,949                                    | 36,949                              |
| Sales of Goods and Services                 | 25,157                   | 25,157              | 81,581                                    | 56,424                              |
| Other                                       | <u>162,505</u>           | <u>162,464</u>      | <u>1,727</u>                              | <u>(160,737)</u>                    |
| Total revenues                              | <u>10,853,896</u>        | <u>12,237,170</u>   | <u>14,172,339</u>                         | <u>1,935,169</u>                    |
| <b>EXPENDITURES</b>                         |                          |                     |   |                                     |
| Transportation:                             | <u>14,066,612</u>        | <u>17,000,208</u>   | <u>12,142,744</u>                         | <u>4,857,464</u>                    |
| Total Expenditures                          | <u>14,066,612</u>        | <u>17,000,208</u>   | <u>12,142,744</u>                         | <u>4,857,464</u>                    |
| Excess (Deficiency) of Revenues             |                          |                     |   |                                     |
| Over (Under) Expenditures                   | <u>(3,212,716)</u>       | <u>(4,763,038)</u>  | <u>2,029,595</u>                          | <u>6,792,633</u>                    |
| <b>OTHER FINANCING SOURCES (USES)</b>       |                          |                     |   |                                     |
| Transfers In                                |                          |                     | 2,050,681                                 | 2,050,681                           |
| Transfers Out                               |                          |                     | (721,740)                                 | (721,740)                           |
| Increase in Obligation for Leases           |                          |                     | 16,002                                    | 16,002                              |
| Sale of Capital Assets                      |                          |                     | 3,833                                     | 3,833                               |
| Available Beginning Balances                | <u>8,035,530</u>         | <u>8,035,530</u>    | <u>8,035,530</u>                          |                                     |
| Total Other Financing Sources (Uses)        | <u>8,035,530</u>         | <u>8,035,530</u>    | <u>9,384,306</u>                          | <u>1,348,776</u>                    |
| Excess (Deficiency) of Revenue and Other    |                          |                     |   |                                     |
| Financing Sources Over (Under) Expenditures |                          |                     |   |                                     |
| and Other Financing Uses                    | <u>\$ 4,822,814</u>      | <u>\$ 3,272,492</u> | <u>\$ 11,413,901</u>                      | <u>\$ 8,141,409</u>                 |

## NOTES TO THE BUDGETARY COMPARISON SCHEDULE

The budgetary comparison schedule presents comparisons of the legally adopted budget with actual data on a budgetary basis. Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles (GAAP), a reconciliation of these differences is required and is presented below.

The major reconciling items between the budgetary comparison schedule and the GAAP financial statements are due to the following items.

### *Basis of Accounting Differences*

Revenues and expenditures are reported on the cash basis of accounting in the budgetary comparison schedule but are reported on the modified accrual basis of accounting on the GAAP fund financial statements. Therefore, deferred inflows, receivables and payables are included as reconciling items.

### *Perspective Differences*

Certain revenues and expenditures, including debt service are not budgeted by the Legislature. The activity for these programs is excluded from the budgetary comparison schedule. The beginning cash balances are included as other financing sources in the budgetary comparison schedule and are not included as financing sources on the GAAP financial statements.

| <b>RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS</b>  |                           |
|---|---------------------------|
| August 31, 2022 (Amounts in Thousands)  |                           |
|   | <b>State Highway Fund</b> |
| Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses- Actual Budgetary Basis | \$ 11,413,901             |
| Basis of Accounting Differences:  |                           |
| Receivables and Deferred Inflows  | (2,163,313)               |
| Payables  | (42,653)                  |
| Perspective Differences:  |                           |
| Beginning Cash Balances Reported as Other Financing Sources   | (8,035,530)               |
| Other Expenditures Not Budgeted   | (407,195)                 |
| Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses - GAAP Basis            | \$ 765,210                |

## *Basis of Budgeting*

The state's budget is prepared on a cash basis. The Texas Constitution limits appropriation bills to two years. The Legislative Budget Board (LBB) is required by statute to adopt an estimated rate of growth for the next biennium and calculate a limit on the amount of state tax revenue, not dedicated by the Texas Constitution, that is available for spending in the next biennium. If the Legislature, by adoption of a resolution approved by a record vote of a majority of the members of each house, finds that an emergency exists and identifies the nature of the emergency, the Legislature may provide appropriations in excess of the adopted limit.

The Governor's Budget Office and the LBB initiate the process of submitting budget requests to the Legislature. At final passage of the General Appropriations Act by the Legislature, it is sent to the Comptroller of Public Accounts for certification. If the Comptroller certifies that appropriated amounts are available in the affected funds, the bill is sent to the Governor. If not certified, the Legislature may pass the bill with a four-fifths majority vote. The Governor has the option of vetoing the total bill or specific line-item appropriations but does not have the authority to reduce a line item of appropriation.

Upon approval by the Governor, the bill becomes law and is the budget authority for state agencies to spend state funds. The Comptroller is responsible for controlling, accounting and reporting expenditures in accordance with expenditure budgets.

## *Legal Level of Budgetary Control*

The Texas Constitution requires the Comptroller to submit a *Biennial Revenue Estimate* to the Legislature prior to each regular session. This document contains an itemized estimate of beginning cash balances, anticipated revenues based on laws then in effect and estimated expenditures from prior appropriations. The Texas Constitution also requires the Comptroller to submit supplementary revenue estimates at any special session of the Legislature and at other necessary times to show probable changes.

The level of legal control for the budget is established at the strategy (line item) level by agency. For example, "Right-of-Way Acquisition" and "Routine Maintenance" are two of the strategies for TxDOT. The legal level of budgetary control is defined as the level at which the governing body must approve any over expenditure of appropriations or transfers of appropriated amounts. Agencies are authorized limited transfer authority between strategies, not to exceed 20 percent, by the General Appropriations Act. Transfers and expenditures are monitored against the original budget by the Comptroller's office to ensure the agency's authorized budget is not exceeded.

The level of legal control is documented in the budget comparison by strategy schedule in the other supplementary information section, which includes budget and actual expenditure data by strategy line item for TxDOT. State agencies cannot exceed approved appropriations. In certain emergency situations, the Governor may authorize additional appropriations from deficiency and emergency appropriation reserves.

Unexpended appropriations generally lapse 60 days after the fiscal year unless they are encumbered during the 60-day "lapse" period. Other appropriations referred to as "reappropriated unexpended balances" represent a continuation of prior year's balances for completion of a program.

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## Schedules of Changes in Net Pension Liability and Related Ratios

For each of the fiscal years presented, the measurement date for the information on the schedules of changes in net pension liability and related ratios was the prior fiscal year-end.

| <b>Schedule of Changes in Net Pension Liability</b><br>(Amounts in Thousands)   |                     |                     |                     |                     |                     |                     |                     |                  |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|------------------|
|   | 2022                | 2021                | 2020                | 2019                | 2018                | 2017                | 2016                | 2015             |
| <b>Total Pension Liability</b>  |                     |                     |                     |                     |                     |                     |                     |                  |
| Service Cost  | 215,861 \$          | 183,298 \$          | 131,802 \$          | 139,071 \$          | 132,525 \$          | 108,528 \$          | 118,614 \$          | 109,957          |
| Interest  | 239,038             | 252,377             | 263,616             | 246,260             | 228,274             | 238,733             | 228,696             | 224,284          |
| Benefit Changes   |                     |                     |                     |                     |                     |                     | (8,462)             |                  |
| Differences between Expected and Actual Experience  | (75,186)            | 51,209              | (56,576)            | 8,840               | 10,516              | 12,639              | (27,433)            | (24,411)         |
| Assumption Changes  | (2,294,877)         | 638,481             | 828,735             | (190,768)           | 201,859             | 501,760             | (330,365)           | 115,710          |
| Benefit Payments and Refunds  | (272,688)           | (262,907)           | (248,564)           | (231,505)           | (208,148)           | (203,213)           | (197,428)           | (189,477)        |
| Change in Proportional Percentage   | 11,253              | 72,864              | 33,200              | 115,111             | (73,016)            | (22,595)            | (2,322)             |                  |
| <b>Net Change in Total Pension Liability</b>  | <b>(2,176,598)</b>  | <b>935,321</b>      | <b>952,213</b>      | <b>87,009</b>       | <b>292,010</b>      | <b>635,852</b>      | <b>(218,700)</b>    | <b>236,063</b>   |
| <b>Total Pension Liability-Beginning</b>  | <b>6,496,521</b>    | <b>5,561,200</b>    | <b>4,608,987</b>    | <b>4,521,978</b>    | <b>4,229,968</b>    | <b>3,594,116</b>    | <b>3,812,816</b>    | <b>3,576,753</b> |
| <b>Total Pension Liability-Ending (a)</b>   | <b>4,319,923 \$</b> | <b>6,496,521 \$</b> | <b>5,561,200 \$</b> | <b>4,608,987 \$</b> | <b>4,521,978 \$</b> | <b>4,229,968 \$</b> | <b>3,594,116 \$</b> | <b>3,812,816</b> |
| <b>Plan Fiduciary Net Position</b>  |                     |                     |                     |                     |                     |                     |                     |                  |
| Contributions-Employer  | 74,383              | 73,792              | 69,733              | 67,074              | 63,666              | 64,993              | 48,208              | 46,536           |
| Contributions-Member  | 72,250              | 71,598              | 67,985              | 65,798              | 62,336              | 63,849              | 44,524              | 41,553           |
| Net Investment Income   | 697,718             | 179,607             | 74,216              | 233,808             | 257,602             | 120,512             | 5,486               | 313,859          |
| Benefit Payments and Refunds  | (272,688)           | (262,907)           | (248,564)           | (231,505)           | (208,148)           | (203,213)           | (197,428)           | (189,477)        |
| Administrative Expense  | (2,198)             | (2,425)             | (2,716)             | (2,265)             | (2,100)             | (1,935)             | (2,104)             | (1,949)          |
| <b>Net Change in Plan Fiduciary Net Position</b>  | <b>569,466</b>      | <b>59,665</b>       | <b>(39,346)</b>     | <b>132,910</b>      | <b>173,356</b>      | <b>44,206</b>       | <b>(101,314)</b>    | <b>210,522</b>   |
| <b>Plan Fiduciary Net Position-Beginning</b>  | <b>2,686,820</b>    | <b>2,627,156</b>    | <b>2,666,502</b>    | <b>2,533,592</b>    | <b>2,360,236</b>    | <b>2,316,030</b>    | <b>2,417,344</b>    | <b>2,206,822</b> |
| <b>Plan Fiduciary Net Position-Ending (b)</b>   | <b>3,256,286</b>    | <b>2,686,820</b>    | <b>2,627,156</b>    | <b>2,666,502</b>    | <b>2,533,592</b>    | <b>2,360,236</b>    | <b>2,316,030</b>    | <b>2,417,344</b> |
| <b>Net Pension Liability-Ending (a) - (b)</b>   | <b>1,063,637 \$</b> | <b>3,809,700 \$</b> | <b>2,934,044 \$</b> | <b>1,942,485 \$</b> | <b>1,988,386 \$</b> | <b>1,869,732 \$</b> | <b>1,278,086 \$</b> | <b>1,395,472</b> |
| <b>Plan Fiduciary Net Position as a percentage of Total Pension Liability</b>   | <b>75.38%</b>       | <b>41.36%</b>       | <b>47.24%</b>       | <b>57.85%</b>       | <b>56.03%</b>       | <b>55.80%</b>       | <b>64.44%</b>       | <b>63.40%</b>    |
| <b>Covered Payroll</b>  | <b>\$722,978</b>    | <b>\$717,847</b>    | <b>\$679,824</b>    | <b>\$655,345</b>    | <b>\$623,828</b>    | <b>\$638,053</b>    | <b>\$592,508</b>    | <b>\$574,704</b> |
| <b>Net Pension Liability as a percentage of covered payroll</b>   | <b>147.12%</b>      | <b>530.71%</b>      | <b>431.59%</b>      | <b>296.41%</b>      | <b>318.74%</b>      | <b>293.04%</b>      | <b>215.71%</b>      | <b>242.82%</b>   |
| <b>Notes to Schedule:</b>   |                     |                     |                     |                     |                     |                     |                     |                  |
| 1. The change in total pension liability is due to the change in the single discount rate included as an assumption change.   |                     |                     |                     |                     |                     |                     |                     |                  |
| 2. The covered payroll is the actual annual payroll for the fiscal year as reported by ERS.   |                     |                     |                     |                     |                     |                     |                     |                  |
| 3. This schedule is intended to present 10 years of information. Currently, only eight years of information is available. Information for future years will be added when it becomes available. |                     |                     |                     |                     |                     |                     |                     |                  |



## Schedules of Employer Contributions - Pension

The information on the schedules of employer contributions was determined as of the end of the fiscal year presented.

| Schedule of Employer Contributions   |   |            |           |           |           |           |           |           |
|--|---|------------|-----------|-----------|-----------|-----------|-----------|-----------|
| (Amounts in Thousands)   |   |            |           |           |           |           |           |           |
|  | 2022  | 2021       | 2020      | 2019      | 2018      | 2017      | 2016      | 2015      |
| Actuarially determined contributions   | 130,185   | \$ 115,532 | \$ 98,776 | \$ 92,592 | \$ 89,848 | \$ 67,526 | \$ 65,492 | \$ 71,131 |
| Actual Contribution  | 130,185   | 74,383     | 73,792    | 69,733    | 67,073    | 66,253    | 66,163    | 48,288    |
| Contribution deficiency (excess)   | 0   | 41,148     | 24,984    | 22,859    | 22,774    | 1,273     | (670)     | 22,843    |
| Covered payroll  | 744,564   | 722,978    | 717,847   | 679,824   | 655,345   | 649,179   | 649,536   | 593,496   |
| Contribution as a percentage of covered payroll  | 17.48%  | 10.29%     | 10.28%    | 10.26%    | 10.23%    | 10.21%    | 10.19%    | 8.14%     |
| Notes to Schedule of Employer Contributions:   |   |            |           |           |           |           |           |           |
| Valuation Date:  |   |            |           |           |           |           |           |           |
| Actuarially determined contribution rates are calculated as of August 31. Members are employers contribute based on statutorily fixed rates.   |   |            |           |           |           |           |           |           |
| Provisions of the Legacy Payment structure adopted during the 2021 legislative session were reflected in disclosures for the 2022 fiscal year. |   |            |           |           |           |           |           |           |
| Methods and Assumptions Used to Determine Contribution Rates:  |   |            |           |           |           |           |           |           |
| Actuarial Cost Method  | Entry Age Normal  |            |           |           |           |           |           |           |
| Amortization Method  | Level Percent of Payroll plus Level Dollar Legacy Payment   |            |           |           |           |           |           |           |
| Remaining Amortization Period  | UAAL to be eliminated by 2054   |            |           |           |           |           |           |           |
| Asset Valuation Method   | Marked to market as of August 31, 2017. Future gains and losses each recognized over closed five-year period, with allowance of direct offsetting of deferrals by subsequent gains or losses.   |            |           |           |           |           |           |           |
| Inflation  | 2.30%   |            |           |           |           |           |           |           |
| Salary Increases   | 0.00% to 8.80%  |            |           |           |           |           |           |           |
| Investment Rate of Return  | 7.00%   |            |           |           |           |           |           |           |
| Retirement Age   | Experience-based table of rates that are specific to the class of employee. Updated for the 2020 valuation pursuant to an experience study of the 5-year period from September 1, 2014 through August 31, 2019.   |            |           |           |           |           |           |           |
| Mortality  | 2020 State Retirees of Texas (SRT) mortality table. Generational mortality improvements in accordance with the ultimate rates from the scales published through 2019 by Retirement Plans Experience Committee of the Society of Actuaries ("Ultimate MP") and projected from the year 2020. Rates for male LECO members are set forward one year. |            |           |           |           |           |           |           |
| Other Information:   |   |            |           |           |           |           |           |           |
| 1. Members and employers contribute based on statutorily fixed rates.  |   |            |           |           |           |           |           |           |
| 2. The covered employee payroll is the actual annual payroll for the fiscal year as reported by ERS.   |   |            |           |           |           |           |           |           |

## Schedules of Changes in Net OPEB Liability and Related Ratios

For each of the fiscal years presented, the measurement date for the information on the schedules of changes in net pension liability and related ratios was the prior fiscal year-end.

| <b>Schedule of Changes in Net OPEB Liability</b>  |                  |                     |                     |                     |                     |
|---|------------------|---------------------|---------------------|---------------------|---------------------|
| (Amounts in Thousands)  |                  |                     |                     |                     |                     |
|   | <u>2022</u>      | <u>2021</u>         | <u>2020</u>         | <u>2019</u>         | <u>2018</u>         |
| <b>Total OPEB Liability</b>   |                  |                     |                     |                     |                     |
| Service Cost  | \$ 114,899       | \$ 112,086          | \$ 88,258           | \$ 109,497          | \$ 256,922          |
| Interest  | 55,456           | 77,381              | 89,418              | 92,361              | 136,668             |
| Differences between Expected and Actual Experience  | (1,159)          | (59,568)            | (6,513)             | (68,487)            | (55,942)            |
| Assumption Changes  | 97,327           | (183,440)           | 219,984             | (433,607)           | (973,369)           |
| Benefit Payments, including Refunds of Employee-Contributions   | (56,420)         | (53,672)            | (54,212)            | (48,508)            | (81,242)            |
| Change in Proportional Percentage   | 21,079           | (13,547)            | (545)               | (1,305,600)         |                     |
| <b>Net Change in Total OPEB Liability</b>   | <u>231,182</u>   | <u>(120,760)</u>    | <u>336,390</u>      | <u>(1,654,344)</u>  | <u>(716,963)</u>    |
| <b>Total OPEB Liability-Beginning</b>   | <u>2,439,991</u> | <u>2,560,751</u>    | <u>2,224,361</u>    | <u>3,878,705</u>    | <u>4,595,668</u>    |
| <b>Total OPEB Liability-Ending (a)</b>  | <u>2,671,173</u> | <u>\$ 2,439,991</u> | <u>\$ 2,560,751</u> | <u>\$ 2,224,361</u> | <u>\$ 3,878,705</u> |
| <b>Plan Fiduciary Net Position</b>  |                  |                     |                     |                     |                     |
| Contributions-Employer  | 56,292           | \$ 54,469           | \$ 29,365           | \$ 22,473           | \$ 99,328           |
| Contributions-Non-employer Contributing Entities  | 2,877            | 2,747               | 1,477               | 1,214               | 5,140               |
| Contributions-Employee  | 14,128           | 16,751              | 15,355              | 14,868              | 21,835              |
| Contributions-Federal Revenues for Medicare Part D RDS  | 116              | 129                 | 108                 | 104                 |                     |
| Other (Federal Revenues and Other Additions)  | 7,785            | 7,958               | 6,439               | 5,587               | 8,009               |
| Other (Other Additions)   | 4                | 2                   |                     |                     |                     |
| Net Investment Income   | 17               | 97                  | 243                 | 798                 | 504                 |
| Benefit Payments, including Refunds of Employee- Contributions  | (56,420)         | (53,672)            | (54,212)            | (48,508)            | (81,242)            |
| Benefit Payments financed by Employee- Contributions and Federal Revenues   | (21,913)         | (24,709)            | (21,788)            | (20,216)            | (29,803)            |
| Administrative Expense  | (632)            | (496)               | (439)               | (426)               | (627)               |
| <b>Net Change in Plan Fiduciary Net Position</b>  | <u>2,254</u>     | <u>3,276</u>        | <u>(23,452)</u>     | <u>(24,106)</u>     | <u>23,144</u>       |
| <b>Plan Fiduciary Net Position-Beginning</b>  | <u>34,869</u>    | <u>31,593</u>       | <u>55,045</u>       | <u>79,151</u>       | <u>56,007</u>       |
| <b>Plan Fiduciary Net Position-Ending (b)</b>   | <u>37,123</u>    | <u>\$ 34,869</u>    | <u>\$ 31,593</u>    | <u>\$ 55,045</u>    | <u>\$ 79,151</u>    |
| <b>Net OPEB Liability-Ending (a) - (b)</b>  | <u>2,634,050</u> | <u>\$ 2,405,122</u> | <u>\$ 2,529,158</u> | <u>\$ 2,169,316</u> | <u>\$ 3,799,554</u> |
| Plan Fiduciary Net Position as a Percentage of Total OPEB Liability   | 0.38%            | 0.32%               | 0.17%               | 1.27%               | 2.04%               |
| Covered-Employee Payroll  | 924,117          | \$ 921,100          | \$ 901,530          | \$ 881,785          | \$ 1,309,744        |
| Net OPEB Liability as a Percentage of Covered- Employee Payroll   | 285.03%          | 261.11%             | 280.54%             | 246.01%             | 290.10%             |
| <b>Notes to Schedule:</b>   |                  |                     |                     |                     |                     |
| 1. This schedule is intended to present 10 years of information. Currently, only five years of information are available. Information for future years will be added when it becomes available. |                  |                     |                     |                     |                     |
| 2. Information is presented using an Aug. 31, 2021 measurement date.  |                  |                     |                     |                     |                     |
| 3. Benefit payments are net of member contributions and Federal Revenues.   |                  |                     |                     |                     |                     |

## Schedule of Employer Contributions – OPEB

### Schedule of Employer Contributions

(Amounts in Thousands)

|  | 2022     |    | 2021     |    | 2020     |    | 2019     |    | 2018     |
|--|----------|----|----------|----|----------|----|----------|----|----------|
| Actuarially determined contribution                      | 156,808  | \$ | 199,751  | \$ | 188,525  | \$ | 196,639  | \$ | 170,736  |
| Actual Contribution                                      | 219,022  |    | 220,676  |    | 218,794  |    | 216,838  |    | 212,627  |
| Contribution deficiency (excess)                         | (62,214) |    | (20,925) |    | (30,269) |    | (20,199) |    | (41,891) |
| Covered-Employee Payroll                                 | 945,898  |    | 924,143  |    | 921,086  |    | 901,530  |    | 881,785  |
| Contribution as a percentage of Covered-Employee Payroll | 5.80%    |    | 6.42%    |    | 6.23%    |    | 3.43%    |    | 2.70%    |

### Notes to Schedule of Employer Contributions:

#### Methods and assumptions used to determine contribution rates:

|                               |                 |
|-------------------------------|-----------------|
| Valuation Date                | August 31, 2021 |
| Actuarial Cost Method         | Entry Age       |
| Remaining Amortization Period | 30 Years        |
| Asset Valuation Method        | Not applicable  |

#### Actuarial Assumptions:

|                                  |                                     |
|----------------------------------|-------------------------------------|
| Discount Rate                    | 2.14%*                              |
| Inflation                        | 2.30%                               |
| Projected Annual Salary Increase | 2.30% to 9.05%, including inflation |
| Annual Healthcare Trend Rate     |                                     |

#### HealthSelect:

5.25% for FY23, 5.15% for FY24, 5.00% for FY25, 4.75% for FY26, 4.60% for FY27, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY30 and later years

#### HealthSelect Medicare Advantage:

0.00% for FY23, 66.67% for FY24, 24.00% for FY25, 4.75% for FY26, 4.60% for FY27, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY30 and later years

#### Pharmacy:

10.00% for FY23 and FY24, decreasing 100 basis points per year to 5.00% for FY29 and 4.30% for FY30 and later years

Aggregate Payroll Growth  
Mortality-State Agency Members

#### Service Retirees, Survivors and Other Inactive Members (Regular, Elected, CPO/CO and JRS I and II Employee Classes):

2020 State Retirees of Texas Mortality table with a 1 year set forward for male CPO/CO members. Generational mortality improvements in accordance with the Ultimate MP Projection Scale are projected from the year 2020.

#### Disabled Retirees (Regular, Elected, CPO/CO and JRS I and II Employee Classes):

2020 State Retirees of Texas Mortality table set forward three years for males and females. Generational mortality improvements in accordance with the Ultimate MP Projection Scale are projected from the year 2020. Minimum rates of 3.0% and 2.5% apply at all ages for males and females, respectively.

#### Active Members:

Pub-2010 General Employees Active Member Mortality table for non-CPO/CO members. Pub-2010 Public Safety Active Member Mortality table for CPO/CO members. Generational mortality improvements in accordance with the Ultimate MP Projection Scale are projected from the year 2010.

Ad hoc Postemployment Benefit Changes      None

\*The source of the municipal bond rate is the Bond Buyer Index of general obligations bonds with 20 years to maturity and mixed credit quality. The bonds' average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA.

### Other Information:

This schedule is intended to present 10 years of information. Currently, only five years of information is available. Information for future years will be added when it becomes available.

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## SECTION TWO (CONTINUED)

# OTHER SUPPLEMENTARY INFORMATION COMBINING FINANCIAL STATEMENTS, SCHEDULES, AND BUDGET COMPARISON BY STRATEGY (UNAUDITED)

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## **State Highway Fund Accounts**

### **Combining Financial Statements**

TxDOT reports the following accounts/sub-funds, which are consolidated into the state highway fund for the financial statements.

**State Highway Fund Accounts** - These funds contain the activity related to public road construction, maintenance and monitoring of the state's highway system. The significant ongoing revenue sources are federal revenues and motor fuels taxes, which are constitutionally restricted and dedicated to the highway fund.

| <b>Appropriated<br/>Fund</b> | <b>GAAP Fund</b> | <b>USAS D23 Funds</b>                                |
|------------------------------|------------------|--|
| 0006                         | 0006             | 0006 - State Highway Fund                            |
| 0006                         | 0006             | 0121 - SH121 Concession-Project Fund                 |
| 0006                         | 0006             | 0122 - SH121 Concession-Revolving Fund               |
| 0006                         | 0006             | 0130 - SH130 Concession                              |
| 0006                         | 0006             | 0161 - SH161 Project Fund                            |
| 0006                         | 0006             | 0162 - SH161 Revolving Fund                          |
| 0006                         | 0006             | 0288 - SH 288 Concession-Project Fund                |
| 0006                         | 0006             | 0512 - Escrow-Pass-Thru Toll-Montgomery County       |
| 0006                         | 0006             | 0635 - LBJ Project Concession Refund                 |
| 0006                         | 0006             | 0820 - NTE Mobility Refi Gain                        |
| 0006                         | 0006             | 0823 - NTE SEG 3A&3B Concession Fund                 |
| 0006                         | 0006             | 1016 - Texas State Cemetery Committee                |
| 0006                         | 0006             | 8006 - Depository Interest Default Fund              |
| 0006                         | 0006             | 9000 - Deposit Default Fund                          |
| 0006                         | 0006             | 9001 - Returned Items Default Fund                   |
| 0369                         | 0006             | 0369 - Federal American Recovery & Reinvestment Fund |
| 0899                         | 0006             | 0835 - I-35E Project Disbursing Account              |
| 9999                         | 0006             | 1835 - I-35E Local Operating Fund                    |
| 9999                         | 0006             | 1998 - TxTag Toll Collection Account                 |
| 0006                         | 0006             | 2635 - Surplus Toll Revenue-I635E Project            |

**Proposition 1** - This fund was created to record , track and report the receipt and disbursement of the Proposition 1 Fund.

| <b>Appropriated<br/>Fund</b> | <b>GAAP Fund</b> | <b>USAS D23 Funds</b>        |
|------------------------------|------------------|------------------------------|
| 0006                         | 0006             | 1006 - Proposition 1 Account |

**Proposition 7** - This fund was created to record, track and report the receipt and disbursement of the Proposition 7 Fund.

| <b>Appropriated<br/>Fund</b> | <b>GAAP Fund</b> | <b>USAS D23 Funds</b>        |
|------------------------------|------------------|------------------------------|
| 0006                         | 0006             | 1007 - Proposition 7 Account |

**State Infrastructure Bank Accounts** – This fund operates as a revolving loan program that makes loans to public and private entities to encourage the development of transportation projects and facilities.

| <b>Appropriated<br/>Fund</b> | <b>GAAP Fund</b> | <b>USAS D23 Funds</b>            |
|------------------------------|------------------|----------------------------------|
| 0006                         | 0006             | 0099 - State Infrastructure Bank |

**Texas Department of Transportation**  
**Combining Balance Sheet - State Highway Fund**  
August 31, 2022 (Amounts in Thousands)

|  | State<br>Highway<br>Fund<br>Accounts | Proposition 1 | Proposition 7 | State<br>Infrastructure<br>Bank | TOTAL         |
|--|--------------------------------------|---------------|---------------|---------------------------------|---------------|
| <b>ASSETS</b>  |                                      |               |               |                                 |               |
| Cash and Cash Equivalents:   |                                      |               |               |                                 |               |
| Cash on Hand   | \$ 683                               | \$            | \$            | \$                              | \$ 683        |
| Cash in Bank   | 935                                  |               |               |                                 | 935           |
| Cash in State Treasury   | 1,293,501                            | 2,481,120     | 4,666,103     | 386,210                         | 8,826,934     |
| Cash Equivalents   | 65,684                               |               |               |                                 | 65,684        |
| Short Term Investments   | 28,378                               |               |               |                                 | 28,378        |
| Receivables:   |                                      |               |               |                                 |               |
| Taxes  | 229,735                              |               |               |                                 | 229,735       |
| Federal  | 479,212                              |               |               |                                 | 479,212       |
| Other Intergovernmental  | 182,808                              |               |               |                                 | 182,808       |
| Interest and Dividends   | 4,059                                |               |               | 1,294                           | 5,353         |
| Accounts Receivable  | 76,497                               |               |               |                                 | 76,497        |
| Leases   | 1,472                                |               |               |                                 | 1,472         |
| Due from Other Funds   | 75,380                               |               |               |                                 | 75,380        |
| Due from Other Agencies  | 235,373                              | 3,637,494     |               |                                 | 3,872,867     |
| Consumable Inventories   | 144,050                              |               |               |                                 | 144,050       |
| Investments  | 41,743                               |               |               |                                 | 41,743        |
| Loans and Contracts  | 163,376                              |               |               | 151,448                         | 314,824       |
| Restricted:  |                                      |               |               |                                 |               |
| Cash Equivalents   | 15,517                               |               |               |                                 | 15,517        |
| Total Assets   | \$ 3,038,403                         | \$ 6,118,614  | \$ 4,666,103  | \$ 538,952                      | \$ 14,362,072 |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b> |                                      |               |               |                                 |               |
| Liabilities:   |                                      |               |               |                                 |               |
| Payables:  |                                      |               |               |                                 |               |
| Accounts   | 922,874                              | 179,032       | 395,056       | 7                               | 1,496,969     |
| Payroll  | 90,412                               |               |               |                                 | 90,412        |
| Contract Retainage   | 71,080                               |               |               |                                 | 71,080        |
| Deposits   | 39,485                               |               |               |                                 | 39,485        |
| Due to Other Funds   | 32,756                               | 19,920        | 10,284        |                                 | 62,960        |
| Due to Other Agencies  | 3,599                                |               |               |                                 | 3,599         |
| Unearned Revenues  | 1,613                                |               |               |                                 | 1,613         |
| Total Liabilities  | 1,161,819                            | 198,952       | 405,340       | 7                               | 1,766,118     |
| Deferred Inflows of Resources:                                       |                                      |               |               |                                 |               |
| Unavailable Revenue  | 157,898                              | 3,637,494     |               |                                 | 3,795,392     |
| Leases   | 4,159                                |               |               |                                 | 4,159         |
| Total Deferred Inflows of Resources                                  | 162,057                              | 3,637,494     | 0             | 0                               | 3,799,551     |
| Fund Balances:   |                                      |               |               |                                 |               |
| Nonspendable:  |                                      |               |               |                                 |               |
| Inventory  | 144,050                              |               |               |                                 | 144,050       |
| Restricted   | 15,520                               | 2,282,168     | 4,260,763     | 538,945                         | 7,097,396     |
| Committed  | 631,840                              |               |               |                                 | 631,840       |
| Assigned   | 923,117                              |               |               |                                 | 923,117       |
| Total Fund Balances  | 1,714,527                            | 2,282,168     | 4,260,763     | 538,945                         | 8,796,403     |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances  | \$ 3,038,403                         | \$ 6,118,614  | \$ 4,666,103  | \$ 538,952                      | \$ 14,362,072 |



**Texas Department of Transportation**  
**Combining Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - State Highway Fund**  
For the Fiscal Year Ended August 31, 2022 (Amounts in Thousands)

|                                       | State<br>Highway Fund<br>Accounts | Proposition 1       | Proposition 7       | State<br>Infrastructure<br>Bank | TOTAL               |
|---------------------------------------|-----------------------------------|---------------------|---------------------|---------------------------------|---------------------|
| <b>REVENUES</b>                       |                                   |                     |                     |                                 |                     |
| Taxes                                 | \$ 2,826,198                      | \$ 1,457,260        | \$ 2,989,204        | \$                              | \$ 7,272,662        |
| Federal Revenues                      | 4,429,060                         |                     |                     |                                 | 4,429,060           |
| Federal Pass-Through Revenues         | 25,591                            |                     |                     |                                 | 25,591              |
| State Grant Pass-Through Revenues     | 24,996                            |                     |                     |                                 | 24,996              |
| Licenses, Fees and Permits            | 118,020                           |                     |                     |                                 | 118,020             |
| Interest & Investment Income          | 18,917                            | 14,652              | 19,348              | 4,705                           | 57,622              |
| Net (Decrease) Fair Value             | (3,223)                           |                     |                     |                                 | (3,223)             |
| Land Income                           | 30,446                            |                     |                     |                                 | 30,446              |
| Settlement of Claims                  | 36,949                            |                     |                     |                                 | 36,949              |
| Sales of Goods and Services           | 15,177                            |                     |                     |                                 | 15,177              |
| Other Revenues                        | 1,727                             |                     |                     |                                 | 1,727               |
| Total Revenues                        | <u>7,523,858</u>                  | <u>1,471,912</u>    | <u>3,008,552</u>    | <u>4,705</u>                    | <u>12,009,027</u>   |
| <b>EXPENDITURES</b>                   |                                   |                     |                     |                                 |                     |
| Transportation                        | 3,948,820                         | 199,095             | 427,144             |                                 | 4,575,059           |
| Capital Outlay                        | 4,521,584                         | 963,382             | 2,436,009           |                                 | 7,920,975           |
| Debt Service:                         |                                   |                     |                     |                                 |                     |
| Principal                             | 87,433                            |                     |                     |                                 | 87,433              |
| Interest                              | 7,605                             |                     |                     |                                 | 7,605               |
| Other Financing Fees                  | 1,521                             |                     |                     |                                 | 1,521               |
| Total Expenditures                    | <u>8,566,963</u>                  | <u>1,162,477</u>    | <u>2,863,153</u>    | <u>0</u>                        | <u>12,592,593</u>   |
| Excess (Deficiency) of Revenues       |                                   |                     |                     |                                 |                     |
| Over (Under) Expenditures             | <u>(1,043,105)</u>                | <u>309,435</u>      | <u>145,399</u>      | <u>4,705</u>                    | <u>(583,566)</u>    |
| <b>OTHER FINANCING SOURCES (USES)</b> |                                   |                     |                     |                                 |                     |
| Transfers In                          | 2,050,680                         |                     |                     |                                 | 2,050,680           |
| Transfers Out                         | (447,865)                         |                     | (273,874)           |                                 | (721,739)           |
| Increase in Obligations for Leases    | 16,002                            |                     |                     |                                 | 16,002              |
| Sale of Capital Assets                | 3,833                             |                     |                     |                                 | 3,833               |
| Total Other Financing Sources (Uses)  | <u>1,622,650</u>                  | <u>0</u>            | <u>(273,874)</u>    | <u>0</u>                        | <u>1,348,776</u>    |
| Net Change in Fund Balances           | <u>579,545</u>                    | <u>309,435</u>      | <u>(128,475)</u>    | <u>4,705</u>                    | <u>765,210</u>      |
| Fund Balances, September 1, 2021      | 1,138,078                         | 1,972,733           | 4,389,238           | 534,240                         | 8,034,289           |
| Restatements                          | (3,096)                           |                     |                     |                                 | (3,096)             |
| Fund Balances, August 31, 2022        | <u>\$ 1,714,527</u>               | <u>\$ 2,282,168</u> | <u>\$ 4,260,763</u> | <u>\$ 538,945</u>               | <u>\$ 8,796,403</u> |

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## **Texas Mobility Funds**

### **Combining Financial Statements**

TxDOT reports the following accounts/sub-funds, which are consolidated into the Texas Mobility Fund for the financial statements.

**Debt Service Fund Accounts** – These funds report the activity related the payment of debt service on outstanding mobility fund bonds.

| <b>Appropriated<br/>Fund</b> | <b>GAAP Fund</b> | <b>USAS D23 Funds</b>                 |
|------------------------------|------------------|---------------------------------------|
| 0365                         | 0365             | 0367 - TMF-Interest & Sinking Account |
| 0365                         | 0365             | 0373 - TMF-Rebate Account             |
| 0365                         | 0365             | 0379 - TMF Cost of Issuance           |

**Capital Projects Fund Accounts** – These funds report the activity related to the expenditure of the mobility fund bond proceeds on eligible transportation projects.

| <b>Appropriated<br/>Fund</b> | <b>GAAP Fund</b> | <b>USAS D23 Funds</b>      |
|------------------------------|------------------|----------------------------|
| 0365                         | 0365             | 0365 - TMF-General Account |

**Texas Department of Transportation**  
**Combining Balance Sheet - Texas Mobility Fund**  
August 31, 2022 (Amounts in Thousands)

|                                      | <b>Debt<br/>Service<br/>Fund</b> | <b>Capital<br/>Projects<br/>Fund</b> | <b>Total</b>      |
|--------------------------------------|----------------------------------|--------------------------------------|-------------------|
| <b>ASSETS</b>                        |                                  |                                      |                   |
| Cash and Cash Equivalents:           |                                  |                                      |                   |
| Cash in State Treasury               | \$ 239,696                       | \$ 219,947                           | \$ 459,643        |
| Federal                              | 22,240                           |                                      | 22,240            |
| Total Assets                         | <u>\$ 261,936</u>                | <u>\$ 219,947</u>                    | <u>\$ 481,883</u> |
| <b>LIABILITIES AND FUND BALANCES</b> |                                  |                                      |                   |
| Liabilities:                         |                                  |                                      |                   |
| Payables:                            |                                  |                                      |                   |
| Accounts                             |                                  | 19,944                               | 19,944            |
| Due to Other Funds                   |                                  | 370                                  | 370               |
| Total Liabilities                    | <u>0</u>                         | <u>20,314</u>                        | <u>20,314</u>     |
| Fund Balances (Deficits):            |                                  |                                      |                   |
| Restricted                           | 261,936                          |                                      | 261,936           |
| Committed                            |                                  | 199,633                              | 199,633           |
| Total Fund Balances                  | <u>261,936</u>                   | <u>199,633</u>                       | <u>461,569</u>    |
| Total Liabilities and Fund Balances  | <u>\$ 261,936</u>                | <u>\$ 219,947</u>                    | <u>\$ 481,883</u> |

**Texas Department of Transportation**  
**Combining Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Texas Mobility Fund**  
For the Fiscal Year Ended August 31, 2022 (Amounts in Thousands)

|  | <b>Debt<br/>Service<br/>Fund</b> | <b>Capital<br/>Projects<br/>Fund</b> | <b>Total</b>      |
|--|----------------------------------|--------------------------------------|-------------------|
| <b>REVENUES</b>  |                                  |                                      |                   |
| Federal Revenues   | 22,240                           |                                      | 22,240            |
| Licenses, Fees and Permits                                   | 286,588                          | 83,777                               | 370,365           |
| Interest and Investment Income                               | 731                              | 1,006                                | 1,737             |
| Other Revenues   |                                  | 20                                   | 20                |
| Total Revenues   | <u>309,559</u>                   | <u>84,803</u>                        | <u>394,362</u>    |
| <b>EXPENDITURES</b>  |                                  |                                      |                   |
| Transportation   |                                  | 12,142                               | 12,142            |
| Capital Outlay   |                                  | 45,609                               | 45,609            |
| Debt Service:  |                                  |                                      |                   |
| Principal  | 141,710                          |                                      | 141,710           |
| Interest   | 236,699                          |                                      | 236,699           |
| Other Financing Fees   |                                  | 924                                  | 924               |
| Total Expenditures   | <u>378,409</u>                   | <u>58,675</u>                        | <u>437,084</u>    |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | <u>(68,850)</u>                  | <u>26,128</u>                        | <u>(42,722)</u>   |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                                  |                                      |                   |
| Transfers In   | 89,009                           | 26,018                               | 115,027           |
| Total Other Financing Sources (Uses)                         | <u>89,009</u>                    | <u>26,018</u>                        | <u>115,027</u>    |
| Net Change in Fund Balances                                  | <u>20,159</u>                    | <u>52,146</u>                        | <u>72,305</u>     |
| Fund Balances, September 1, 2021                             | <u>241,777</u>                   | <u>147,487</u>                       | <u>389,264</u>    |
| Fund Balances, August 31, 2022                               | <u>\$ 261,936</u>                | <u>\$ 199,633</u>                    | <u>\$ 461,569</u> |

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## **Nonmajor Governmental Funds**

### **Combining Financial Statements**

TxDOT reports the following accounts/sub-funds, which are consolidated into the Nonmajor Governmental funds for the financial statements.

**General Fund** - The general fund accounts for all financial resources except those accounted for in other funds.

| <b>Appropriated<br/>Fund</b> | <b>GAAP Fund</b> | <b>USAS D23 Funds</b>  |
|------------------------------|------------------|--|
| 0001                         | 0001             | 0001 - General Revenue Fund  |
| 0001                         | 0001             | 1001 - General Revenue Fund-Agency Funds                             |
| 0036                         | 0036             | 0036 - Traffic Safety Crash Records                                  |
| 0325                         | 0325             | 0325 - Fed COVID - 19 Pandemic Relief Fund                           |
| 0325                         | 0325             | 0326 - Fed COVID - 19 Pandemic Relief Fund                           |
| 0599                         | 0599             | 0599 - Economic Stabilization Fund                                   |
| 0807                         | 0001             | 8070 - Child Support Addenda Deductions                              |
| 0882                         | 0001             | 0882 - City County MTA & SPD Sales Tax                               |
| 0900                         | 0900             | 0090 - Suspense Fund   |
| 0900                         | 0001             | 0900 - Suspense Fund   |
| 0900                         | 0001             | 9015 - USPS-Overpayments To Employees                                |
| 0900                         | 0001             | 9016 - Warrant Hold Offset-Gc403.0551                                |
| 0942                         | 0001             | 0942 - 401K Payroll  |
| 0980                         | 0001             | 0980 - Direct Deposit Correction Fund                                |
| 0980                         | 0001             | 9014 - USPS-Direct Deposit Return                                    |
| 0999                         | 0001             | 0998 - Miscellaneous-Utility Fund (Non-Cash)                         |
| <b>0999</b>                  | 0999             | 0999 - Mis-Utility Fund (Non-Cash)                                   |
| 7604                         | 7604             | 7604 - TPFA G.O. Commercial Paper Series 2002B Colonial Project Fund |

**Special Revenue Funds** - These funds are used to report the proceeds of specific revenue sources that are restricted or committed for specified purposes other than debt service or capital project.

| <b>Appropriated<br/>Fund</b> | <b>GAAP Fund</b> | <b>USAS D23 Funds</b>                     |
|------------------------------|------------------|---|
| 0184                         | 0184             | 0184 - Transportation Infrastructure Fund |

**Debt Service Funds** - These funds are used to report financial resources that are restricted, committed or assigned to expenditure for principal and interest.

| <b>Appropriated<br/>Fund</b> | <b>GAAP Fund</b> | <b>USAS D23 Funds</b>                   |
|------------------------------|------------------|---|
| 0008                         | 0008             | 0010 - State Highway Debt Service Fund  |
| 0008                         | 0008             | 0022 - Proposition 12 Debt Service Fund |

**Capital Projects Fund Accounts** – These funds report the activity related to the expenditure of the mobility fund bond proceeds on eligible transportation projects.

| <b>Appropriated<br/>Fund</b> | <b>GAAP Fund</b> | <b>USAS D23 Funds</b>                   |
|------------------------------|------------------|---|
| 0927                         | 0927             | 0927 - CO/PolSubdv/LocGo RO/Airpt Tr    |
| 7517                         | 7517             | 7517 - TPFA Lease Rev TxDOT Campus Fund |

**Texas Department of Transportation**  
**Combining Balance Sheet - Nonmajor Governmental Funds**  
August 31, 2022 (Amounts in Thousands)

|   | <b>General<br/>Fund</b> | <b>Special<br/>Revenue<br/>Fund*</b> | <b>Debt<br/>Service<br/>Fund</b> | <b>Capital<br/>Projects<br/>Fund</b> | <b>Total<br/>Nonmajor<br/>Funds</b> |
|---|-------------------------|--------------------------------------|----------------------------------|--------------------------------------|-------------------------------------|
| <b>ASSETS</b>   |                         |                                      |                                  |                                      |                                     |
| Cash and Cash Equivalents:  |                         |                                      |                                  |                                      |                                     |
| Cash on Hand  | \$ 2                    | \$                                   | 5,261                            | \$                                   | 5,263                               |
| Cash in State Treasury  | 29,176                  | 5,809                                | 139,550                          | 439,891                              | 614,426                             |
| Legislative Appropriations  | 13,869                  |                                      |                                  |                                      | 13,869                              |
| Receivables:  |                         |                                      |                                  |                                      |                                     |
| Federal   | 58,185                  |                                      | 27,402                           |                                      | 85,587                              |
| Other Intergovernmental   |                         |                                      |                                  | 2,000                                | 2,000                               |
| Due from Other Funds  |                         |                                      |                                  | 12,960                               | 12,960                              |
| Due from Other Agencies   | 16,600                  |                                      |                                  | 8,481                                | 25,081                              |
| Total Assets  | <u>\$ 117,832</u>       | <u>\$ 5,809</u>                      | <u>\$ 172,213</u>                | <u>\$ 463,332</u>                    | <u>\$ 759,186</u>                   |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES AND FUND BALANCES</b> |                         |                                      |                                  |                                      |                                     |
| Liabilities:  |                         |                                      |                                  |                                      |                                     |
| Payables:   |                         |                                      |                                  |                                      |                                     |
| Accounts  | 67,094                  |                                      |                                  | 3,526                                | 70,620                              |
| Payroll   | 429                     |                                      |                                  |                                      | 429                                 |
| Contract Retainage  |                         |                                      |                                  | 1,287                                | 1,287                               |
| Due to Other Funds  | 36,606                  |                                      |                                  |                                      | 36,606                              |
| Unearned Revenues   |                         |                                      |                                  | 451,871                              | 451,871                             |
| Total Liabilities   | <u>104,129</u>          | <u>0</u>                             | <u>0</u>                         | <u>456,684</u>                       | <u>560,813</u>                      |
| Deferred Inflows of Resources:  |                         |                                      |                                  |                                      |                                     |
| Unavailable Revenues  | 13,452                  |                                      | 1,559                            |                                      | 15,011                              |
| Total Deferred Inflows of Resources                                     | <u>13,452</u>           | <u>0</u>                             | <u>1,559</u>                     | <u>0</u>                             | <u>15,011</u>                       |
| Fund Balances (Deficits):   |                         |                                      |                                  |                                      |                                     |
| Restricted  |                         |                                      | 170,654                          | 6,648                                | 177,302                             |
| Committed   |                         | 5,809                                |                                  |                                      | 5,809                               |
| Assigned  | 13,703                  |                                      |                                  |                                      | 13,703                              |
| Unassigned  | (13,452)                |                                      |                                  |                                      | (13,452)                            |
| Total Fund Balances   | <u>251</u>              | <u>5,809</u>                         | <u>170,654</u>                   | <u>6,648</u>                         | <u>183,362</u>                      |
| Total Liabilities, Deferred Inflows of<br>Resources and Fund Balances   | <u>\$ 117,832</u>       | <u>\$ 5,809</u>                      | <u>\$ 172,213</u>                | <u>\$ 463,332</u>                    | <u>\$ 759,186</u>                   |



**Texas Department of Transportation**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances - Nonmajor Governmental Funds**  
For the Fiscal Year Ended August 31, 2022 (Amounts in Thousands)

|                                       | <b>General<br/>Fund</b> | <b>Special<br/>Revenue<br/>Fund*</b> | <b>Debt<br/>Service<br/>Fund</b> | <b>Capital<br/>Projects<br/>Fund</b> | <b>Total<br/>Nonmajor<br/>Funds</b> |
|---------------------------------------|-------------------------|--------------------------------------|----------------------------------|--------------------------------------|-------------------------------------|
| <b>REVENUES</b>                       |                         |                                      |                                  |                                      |                                     |
| Legislative Appropriations            | \$ 1,484                | \$                                   | \$                               | \$                                   | \$ 1,484                            |
| Federal Revenues                      | 181,807                 |                                      | 34,987                           |                                      | 216,794                             |
| Licenses, Fees and Permits            | 211                     |                                      |                                  |                                      | 211                                 |
| Interest and Investment Income        |                         | 30                                   | 953                              | (218)                                | 765                                 |
| Sales of Goods and Services           | 489                     |                                      |                                  | 165,496                              | 165,985                             |
| Total Revenues                        | <u>183,991</u>          | <u>30</u>                            | <u>35,940</u>                    | <u>165,278</u>                       | <u>385,239</u>                      |
| <b>EXPENDITURES</b>                   |                         |                                      |                                  |                                      |                                     |
| Transportation                        | 150,430                 |                                      |                                  |                                      | 150,430                             |
| Capital Outlay                        | 125,515                 |                                      |                                  | 91,344                               | 216,859                             |
| Debt Service:                         |                         |                                      |                                  |                                      |                                     |
| Principal                             |                         |                                      | 398,235                          |                                      | 398,235                             |
| Interest                              |                         |                                      | 302,057                          |                                      | 302,057                             |
| Total Expenditures                    | <u>275,945</u>          | <u>0</u>                             | <u>700,292</u>                   | <u>91,344</u>                        | <u>1,067,581</u>                    |
| Excess (Deficiency) of Revenues       |                         |                                      |                                  |                                      |                                     |
| Over (Under) Expenditures             | <u>(91,954)</u>         | <u>30</u>                            | <u>(664,352)</u>                 | <u>73,934</u>                        | <u>(682,342)</u>                    |
| <b>OTHER FINANCING SOURCES (USES)</b> |                         |                                      |                                  |                                      |                                     |
| Transfers In                          | 82,421                  |                                      | 598,897                          |                                      | 681,318                             |
| Transfers Out                         | (32)                    |                                      |                                  | (165,496)                            | (165,528)                           |
| Sale of Capital Assets                | 2,758                   |                                      |                                  |                                      | 2,758                               |
| Total Other Financing Sources (Uses)  | <u>85,147</u>           | <u>0</u>                             | <u>598,897</u>                   | <u>(165,496)</u>                     | <u>518,548</u>                      |
| Net Change in Fund Balances           | <u>(6,807)</u>          | <u>30</u>                            | <u>(65,455)</u>                  | <u>(91,562)</u>                      | <u>(163,794)</u>                    |
| Fund Balances, September 1, 2021      | 7,058                   | 5,779                                | 236,109                          | 98,210                               | 347,156                             |
| Fund Balances, August 31, 2022        | <u>\$ 251</u>           | <u>\$ 5,809</u>                      | <u>\$ 170,654</u>                | <u>\$ 6,648</u>                      | <u>\$ 183,362</u>                   |

\*No combining statements presented.

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## **Non Major General Funds**

### **Combining Financial Statements**

TxDOT reports the following General Funds, which are consolidated into the Nonmajor Governmental funds for the financial statements. The general fund accounts for all financial resources except those accounted for in other funds.

#### **General Fund**

##### **General Revenue Fund**

###### **Appropriated**

| <b>Fund</b> | <b>GAAP Fund</b> | <b>USAS D23 Funds</b>                      |
|-------------|------------------|--|
| 0001        | 0001             | 0001 - General Revenue Fund                |
| 0001        | 0001             | 1001 - Unappropriated General Revenue Fund |
| 0882        | 0001             | 0882 - City County MTA & SPD Sales Tax     |
| 0942        | 0001             | 0942 - 401K Deferred Compensation          |
| 0980        | 0001             | 0980 - Direct Deposit Correction Fund      |
| 0980        | 0001             | 9014 - USPS-Direct Deposit Return          |
| 0999        | 0001             | 0998 - Mis-Utility Fund (Non-Cash)         |
| 0807        | 0001             | 8070 - Child Support Addenda Deductions    |
| 0900        | 0001             | 0900 - Suspense Fund                       |
| 0900        | 0001             | 9015 - USPS-Overpayments To Employees      |
| 0900        | 0001             | 9016 - Warrant Hold Offset-Gc403.0551      |

##### **Miscellaneous - Utility Fund (Non-Cash)**

###### **Appropriated**

| <b>Fund</b> | <b>GAAP Fund</b> | <b>USAS D23 Funds</b>              |
|-------------|------------------|------------------------------------|
| 0999        | 0999             | 0999 - Mis-Utility Fund (Non-Cash) |

##### **Traffic Safety-Crash Records Information Systems**

###### **Appropriated**

| <b>Fund</b> | <b>GAAP Fund</b> | <b>USAS D23 Funds</b>               |
|-------------|------------------|-------------------------------------|
| 0036        | 0036             | 0036 - Traffic Safety Crash Records |

##### **Colonias Projects Fund**

###### **Appropriated**

| <b>Fund</b> | <b>GAAP Fund</b> | <b>USAS D23 Funds</b>   |
|-------------|------------------|---|
| 7604        | 7604             | 7604 - TPFA G.O. Commercial Paper Series<br>2002B Colonias Project Fund |

##### **Suspense Fund**

###### **Appropriated**

| <b>Fund</b> | <b>GAAP Fund</b> | <b>USAS D23 Funds</b> |
|-------------|------------------|-----------------------|
| 0900        | 0900             | 0090 - Suspense Fund  |

##### **Coronavirus Relief Fund**

###### **Appropriated**

| <b>Fund</b> | <b>GAAP Fund</b> | <b>USAS D23 Funds</b>                      |
|-------------|------------------|--|
| 0325        | 0325             | 0325 - Fed COVID - 19 Pandemic Relief Fund |
| 0325        | 0325             | 0326 - Fed Covid Relief FD Presidio        |

##### **Economic Stabilization Fund**

###### **Appropriated**

| <b>Fund</b> | <b>GAAP Fund</b> | <b>USAS D23 Funds</b>              |
|-------------|------------------|------------------------------------|
| 0599        | 0599             | 0599 - Economic Stabilization Fund |

**Texas Department of Transportation**  
**Combining Balance Sheet - Nonmajor General Funds**  
August 31, 2022 (Amounts in Thousands)

|   | <b>General<br/>Revenue<br/>Fund</b> | <b>Traffic<br/>Safety<br/>Crash<br/>Records</b> | <b>Colonias<br/>Projects<br/>Fund</b> | <b>Coronavirus<br/>Relief<br/>Fund</b> | <b>Economic<br/>Stabilization<br/>Fund</b> | <b>Total</b>      |
|---|-------------------------------------|---|---------------------------------------|--|--|-------------------|
| <b>ASSETS</b>   |                                     |   |                                       |  |  |                   |
| Cash and Cash Equivalents:  |                                     |   |                                       |  |  |                   |
| Cash on Hand  | \$ 2                                | \$  | \$                                    | \$                                     | \$   | 2                 |
| Cash in State Treasury  | 11,885                              |   |                                       | 17,291                                 |  | 29,176            |
| Legislative Appropriations  | 13,869                              |   |                                       |  |  | 13,869            |
| Receivables:  |                                     |   |                                       |  |  |                   |
| Federal   |                                     |   |                                       | 58,185                                 |  | 58,185            |
| Due from Other Agencies   |                                     |   |                                       |  | 16,600                                     | 16,600            |
| Total Assets  | <u>\$ 25,756</u>                    | <u>\$ 0</u>                                     | <u>\$ 0</u>                           | <u>\$ 75,476</u>                       | <u>\$ 16,600</u>                           | <u>\$ 117,832</u> |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES AND FUND BALANCES</b> |                                     |   |                                       |  |  |                   |
| Liabilities:  |                                     |   |                                       |  |  |                   |
| Payables:   |                                     |   |                                       |  |  |                   |
| Accounts  | 48                                  |   |                                       | 52,357                                 | 14,689                                     | 67,094            |
| Payroll   | 429                                 |   |                                       |  |  | 429               |
| Due to Other Funds  | 11,576                              |   |                                       | 23,119                                 | 1,911                                      | 36,606            |
| Total Liabilities   | <u>12,053</u>                       | <u>0</u>  | <u>0</u>                              | <u>75,476</u>                          | <u>16,600</u>                              | <u>104,129</u>    |
| Deferred Inflows of Resources:  |                                     |   |                                       |  |  |                   |
| Unavailable Revenues  |                                     |   |                                       | 13,452                                 |  | 13,452            |
| Total Deferred Inflows of<br>Resources                                  | <u>0</u>                            | <u>0</u>  | <u>0</u>                              | <u>13,452</u>                          | <u>0</u>                                   | <u>13,452</u>     |
| Fund Balances (Deficits):   |                                     |   |                                       |  |  |                   |
| Assigned  | 13,703                              |   |                                       |  |  | 13,703            |
| Unassigned  |                                     |   |                                       | (13,452)                               |  | (13,452)          |
| Total Fund Balances   | <u>13,703</u>                       | <u>0</u>  | <u>0</u>                              | <u>(13,452)</u>                        | <u>0</u>                                   | <u>251</u>        |
| Total Liabilities, Deferred Inflows of<br>Resources and Fund Balances   | <u>\$ 25,756</u>                    | <u>\$ 0</u>                                     | <u>\$ 0</u>                           | <u>\$ 75,476</u>                       | <u>\$ 16,600</u>                           | <u>\$ 117,832</u> |

**Texas Department of Transportation**  
**Combining Schedule of Revenues, Expenditures and Changes in**  
**Fund Balances - Nonmajor General Funds**  
For the Fiscal Year Ended August 31, 2022 (Amounts in Thousands)

|  | <b>General<br/>Revenue<br/>Fund</b> | <b>Traffic<br/>Safety<br/>Crash<br/>Records</b> | <b>Colonias<br/>Projects<br/>Fund</b> | <b>Coronavirus<br/>Relief<br/>Fund</b> | <b>Economic<br/>Stabilization<br/>Fund</b> | <b>Total</b>    |
|--|-------------------------------------|---|---------------------------------------|--|--|-----------------|
| <b>REVENUES</b>  |                                     |   |                                       |  |  |                 |
| Legislative Appropriations                                   | \$ 1,484                            | \$  | \$                                    | \$                                     | \$   | \$ 1,484        |
| Federal Revenues   |                                     |   |                                       | 181,807                                |  | 181,807         |
| Licenses, Fees and Permits                                   | 211                                 |   |                                       |  |  | 211             |
| Sales of Goods and Services                                  | 489                                 |   |                                       |  |  | 489             |
| Total Revenues   | <u>2,184</u>                        | <u>0</u>  | <u>0</u>                              | <u>181,807</u>                         | <u>0</u>                                   | <u>183,991</u>  |
| <b>EXPENDITURES</b>  |                                     |   |                                       |  |  |                 |
| Transportation   | 7,023                               | 730   | 38                                    | 60,986                                 | 81,653                                     | 150,430         |
| Capital Outlay   | 44                                  |   |                                       | 125,471                                |  | 125,515         |
| Total Expenditures   | <u>7,067</u>                        | <u>730</u>                                      | <u>38</u>                             | <u>186,457</u>                         | <u>81,653</u>                              | <u>275,945</u>  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | <u>(4,883)</u>                      | <u>(730)</u>                                    | <u>(38)</u>                           | <u>(4,650)</u>                         | <u>(81,653)</u>                            | <u>(91,954)</u> |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                                     |   |                                       |  |  |                 |
| Transfers In   |                                     | 730   | 38                                    |  | 81,653                                     | 82,421          |
| Transfers Out  | (32)                                |   |                                       |  |  | (32)            |
| Sale of Capital Assets                                       | 2,758                               |   |                                       |  |  | 2,758           |
| Total Other Financing<br>Sources (Uses)                      | <u>2,726</u>                        | <u>730</u>                                      | <u>38</u>                             | <u>0</u>                               | <u>81,653</u>                              | <u>85,147</u>   |
| Net Change in Fund Balances                                  | <u>(2,157)</u>                      | <u>0</u>  | <u>0</u>                              | <u>(4,650)</u>                         | <u>0</u>                                   | <u>(6,807)</u>  |
| Fund Balances, September 1, 2021                             | <u>15,860</u>                       | <u>0</u>  | <u>0</u>                              | <u>(8,802)</u>                         | <u>0</u>                                   | <u>7,058</u>    |
| Fund Balances, August 31, 2022                               | <u>\$ 13,703</u>                    | <u>\$ 0</u>                                     | <u>\$ 0</u>                           | <u>\$ (13,452)</u>                     | <u>\$ 0</u>                                | <u>\$ 251</u>   |

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**Nonmajor Debt Service Funds**

**Combining Financial Statements**

TxDOT reports the following accounts/sub-funds, which are consolidated into the Nonmajor Debt Service funds for the financial statements.

**Proposition 14 Debt Service Fund**

| <b><u>Appropriated<br/>Fund</u></b> | <b><u>GAAP Fund</u></b> | <b><u>USAS D23 Funds</u></b>           |
|-------------------------------------|-------------------------|--|
| 0008                                | 0008                    | 0010 - State Highway Debt Service Fund |

**Proposition 12 Debt Service Fund**

| <b><u>Appropriated<br/>Fund</u></b> | <b><u>GAAP Fund</u></b> | <b><u>USAS D23 Funds</u></b>            |
|-------------------------------------|-------------------------|---|
| 0008                                | 0008                    | 0022 - Proposition 12 Debt Service Fund |

**Texas Department of Transportation**  
**Combining Balance Sheet - Nonmajor Debt Service Funds**  
August 31, 2022 (Amounts in Thousands)

|   | <b>Prop 14<br/>Debt<br/>Service<br/>Fund</b> | <b>Prop 12<br/>Debt<br/>Service<br/>Fund</b> | <b>Total<br/>Nonmajor<br/>Debt Service<br/>Funds</b> |
|---|--|--|--|
| <b>ASSETS</b>   |  |  |  |
| Cash and Cash Equivalents:  |  |  |  |
| Cash on Hand  | \$   | \$ 5,261                                     | \$ 5,261   |
| Cash in State Treasury  | 136,171                                      | 3,379  | 139,550  |
| Receivables:  |  |  |  |
| Federal   | 25,842                                       | 1,560  | 27,402   |
| Total Assets  | <u>\$ 162,013</u>                            | <u>\$ 10,200</u>                             | <u>\$ 172,213</u>                                    |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES AND FUND BALANCES</b> |  |  |  |
| Liabilities:  |  |  |  |
| Total Liabilities   | <u>0</u>                                     | <u>0</u>                                     | <u>0</u>   |
| Deferred Inflows of Resources:  |  |  |  |
| Unavailable Revenues  |  | 1,559  | 1,559  |
| Total Deferred Inflows of Resources:                                    | <u>0</u>                                     | <u>1,559</u>                                 | <u>1,559</u>   |
| Fund Balances (Deficits):   |  |  |  |
| Nonspendable:   |  |  |  |
| Restricted  | 162,013                                      | 8,641  | 170,654  |
| Total Fund Balances   | <u>162,013</u>                               | <u>8,641</u>                                 | <u>170,654</u>                                       |
| Total Liabilities, Deferred Inflows of<br>Resources and Fund Balances   | <u>\$ 162,013</u>                            | <u>\$ 10,200</u>                             | <u>\$ 172,213</u>                                    |



**Texas Department of Transportation**  
**Combining Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Nonmajor Debt Service Funds**  
For the Fiscal Year Ended August 31, 2022 (Amounts in Thousands)

|                                       | <b>Prop 14<br/>Debt<br/>Service<br/>Fund</b> | <b>Prop 12<br/>Debt<br/>Service<br/>Fund</b> | <b>Total</b>      |
|---------------------------------------|--|--|-------------------|
| <b>REVENUES</b>                       |  |  |                   |
| Federal Revenues                      | 25,842                                       | 9,145  | 34,987            |
| Interest and Investment Income        | 579  | 374  | 953               |
| Total Revenues                        | <u>26,421</u>                                | <u>9,519</u>                                 | <u>35,940</u>     |
| <b>EXPENDITURES</b>                   |  |  |                   |
| Debt Service:                         |  |  |                   |
| Principal                             | 260,480                                      | 137,755                                      | 398,235           |
| Interest                              | 153,321                                      | 148,736                                      | 302,057           |
| Total Expenditures                    | <u>413,801</u>                               | <u>286,491</u>                               | <u>700,292</u>    |
| Excess (Deficiency) of Revenues       |  |  |                   |
| Over (Under) Expenditures             | <u>(387,380)</u>                             | <u>(276,972)</u>                             | <u>(664,352)</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b> |  |  |                   |
| Transfers In                          | 325,022                                      | 273,875                                      | 598,897           |
| Total Other Financing Sources (Uses)  | <u>325,022</u>                               | <u>273,875</u>                               | <u>598,897</u>    |
| Net Change in Fund Balances           | <u>(62,358)</u>                              | <u>(3,097)</u>                               | <u>(65,455)</u>   |
| Fund Balances, September 1, 2021      | <u>224,371</u>                               | <u>11,738</u>                                | <u>236,109</u>    |
| Fund Balances, August 31, 2022        | <u>\$ 162,013</u>                            | <u>\$ 8,641</u>                              | <u>\$ 170,654</u> |

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## Nonmajor Capital Project Funds

### Combining Financial Statements

TxDOT reports the following accounts/sub-funds, which are consolidated into the Nonmajor Debt Service funds for the financial statements.

#### Local Government Political Subdivision Road/Airport Account

| <b>Appropriated<br/>Fund</b> | <b>GAAP Fund</b> | <b>USAS D23 Funds</b>   |
|------------------------------|------------------|---|
| <u>0927</u>                  | <u>0927</u>      | <u>0927 - Local Government Political Subdivision Road/Airport<br/>Account</u> |

#### TPFA Lease Revenue

| <b>Appropriated<br/>Fund</b> | <b>GAAP Fund</b> | <b>USAS D23 Funds</b>                                  |
|------------------------------|------------------|--|
| <u>7517</u>                  | <u>7517</u>      | <u>7517 - Austin Campus Consolidation Project Fund</u> |

**Texas Department of Transportation**  
**Combining Balance Sheet - Nonmajor Capital Projects Funds**  
August 31, 2022 (Amounts in Thousands)

|   | <b>Local<br/>Government<br/>Political<br/>Subdivision<br/>Road/Airport<br/>Account</b> | <b>Austin<br/>Campus<br/>Consolidation<br/>Project Fund</b> | <b>Total</b>      |
|---|--|---|-------------------|
| <b>ASSETS</b>   |  |   |                   |
| Cash and Cash Equivalents:  |  |   |                   |
| Cash in State Treasury  | \$ 439,891   | \$  | \$ 439,891        |
| Receivables:  |  |   |                   |
| Other Intergovernmental   | 2,000  |   | 2,000             |
| Due from Other Funds  | 12,960   |   | 12,960            |
| Due from Other Agencies   |  | 8,481   | 8,481             |
| Total Assets  | <u>\$ 454,851</u>  | <u>\$ 8,481</u>   | <u>\$ 463,332</u> |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES AND FUND BALANCES</b> |  |   |                   |
| Liabilities:  |  |   |                   |
| Payables:   |  |   |                   |
| Accounts  | 2,980  | 546   | 3,526             |
| Contract Retainage  |  | 1,287   | 1,287             |
| Unearned Revenues   | 451,871  |   | 451,871           |
| Total Liabilities   | <u>454,851</u>   | <u>1,833</u>  | <u>456,684</u>    |
| Fund Balances:  |  |   |                   |
| Restricted  |  | 6,648   | 6,648             |
| Total Fund Balances   | <u>0</u>   | <u>6,648</u>  | <u>6,648</u>      |
| Total Liabilities, Deferred Inflows of<br>Resources and Fund Balances   | <u>\$ 454,851</u>  | <u>\$ 8,481</u>   | <u>\$ 463,332</u> |

**Texas Department of Transportation**  
**Combining Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Nonmajor Capital Projects Funds**  
For the Fiscal Year Ended August 31, 2022 (Amounts in Thousands)

|  | <b>Local<br/>Government<br/>Political<br/>Subdivision<br/>Road/Airport<br/>Account</b> | <b>Austin<br/>Campus<br/>Consolidation<br/>Project Fund</b> | <b>Total</b> |
|--|--|---|--------------|
| <b>REVENUES</b>  |  |   |              |
| Interest and Investment Income                               | \$   | \$ (218)  | \$ (218)     |
| Sales of Goods and Services                                  | 165,496  |   | 165,496      |
| Total Revenues   | 165,496  | (218)   | 165,278      |
| <b>EXPENDITURES</b>  |  |   |              |
| Capital Outlay   |  | 91,344  | 91,344       |
| Total Expenditures   | 0  | 91,344  | 91,344       |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 165,496  | (91,562)  | 73,934       |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |  |   |              |
| Transfers Out  | (165,496)  |   | (165,496)    |
| Total Other Financing Sources (Uses)                         | (165,496)  | 0   | (165,496)    |
| Net Change in Fund Balances                                  | 0  | (91,562)  | (91,562)     |
| Fund Balances, September 1, 2021                             |  | 98,210  | 98,210       |
| Fund Balances, August 31, 2022                               | \$ 0   | \$ 6,648  | \$ 6,648     |

**Texas Department of Transportation**  
**Budget Comparison by Strategy - State Highway Fund**  
**For the Fiscal Year Ended August 31, 2022 (Amount in Thousands)**

| <b>Strategy</b>                       | <b>Final Budget</b>  | <b>Actual<br/>Expenditures,<br/>Budgetary Basis</b> | <b>Variance</b>    |
|---------------------------------------|----------------------|---|--------------------|
| Plan/Design/Manage                    | \$ 525,335           | \$ 416,557  | \$ (108,778)       |
| Contracted Planning & Design          | 441,431              | 416,473   | (24,958)           |
| Right-of-Way Acquisition              | 650,934              | 659,471   | 8,536              |
| Construction Contracts                | 2,690,371            | 1,961,481   | (728,889)          |
| Maintenance Contracts                 | 2,707,302            | 2,115,083   | (592,219)          |
| Proposition 1, 2014                   | 2,257,260            | 1,061,563   | (1,195,696)        |
| Proposition 7, 2015                   | 3,734,287            | 2,803,189   | (931,098)          |
| Construction Grants & Services        | 447,606              | 129,100   | (318,506)          |
| Contracted Routine Maintenance        | 1,157,747            | 1,077,215   | (80,532)           |
| Routine Maintenance                   | 827,943              | 736,324   | (91,618)           |
| Ferry Operations                      | 49,483               | 53,844  | 4,361              |
| Public Transportation                 | 104,460              | 67,748  | (36,712)           |
| Traffic Safety                        | 61,882               | 58,217  | (3,665)            |
| Travel Information                    | 19,993               | 16,693  | (3,300)            |
| Research                              | 27,235               | 25,833  | (1,401)            |
| Aviation Services                     | 129,035              | 85,337  | (43,698)           |
| Gulf Waterway                         | 1,082                | 341   | (741)              |
| Rail Plan/Design/Manage               | 3,012                | 1,798   | (1,214)            |
| Contract Rail Plan/Design             | 3,500                | 1,457   | (2,043)            |
| Rail Construction                     | 19,965               | 1,805   | (18,160)           |
| Central Administration                | 101,464              | 71,436  | (30,028)           |
| Information Resources                 | 364,445              | 236,410   | (128,035)          |
| Other Support Services                | 43,841               | 40,474  | (3,367)            |
| Other Debt Service                    | 500                  |   | (500)              |
| Plan/Design/Manage - Subaccount       | 4,500                | 50  | (4,450)            |
| Contracted Plan/Design - Subaccount   | 4,000                | (107)   | (4,107)            |
| Right-of-Way Acquisition - Subaccount | 12,500               | 399   | (12,101)           |
| Construction Contracts - Subaccount   | 606,000              | 101,346   | (504,654)          |
| <b>Total</b>                          | <b>\$ 17,000,112</b> | <b>\$ 12,142,744</b>                                | <b>(4,857,367)</b> |

Construction strategies can be charged for up to four additional fiscal years and non-construction strategies can be charged for up to three additional fiscal years after the original appropriation year. The \$4.9 million budget variance represents expenditures expected to be paid in future fiscal years.

# 03 STATISTICAL SECTION



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# Texas Department of Transportation

## Statistical Section

This section presents detailed information as a context for understanding what the information in the financial statements, note disclosures, required supplementary information and other supplementary information says about the department's overall financial health.

| Contents   | Pages |
|--|-------|
| <b>Financial Trends Information</b>  |       |
| These schedules contain trend information intended to help the reader understand how the department's financial position has changed over time.  |       |
| Net Position - Government-wide   | 154   |
| Changes in Net Position - Government-wide  | 155   |
| Fund Balances - Governmental Funds   | 156   |
| Changes in Fund Balances - Governmental Funds  | 157   |
| <b>Revenue Capacity Information</b>  |       |
| These schedules contain information intended to help the reader assess the department's most significant revenue sources – taxes and federal revenues.   |       |
| Revenue Collections - Taxes - State and TxDOT  | 158   |
| Tax Rates  | 159   |
| Federal Revenue and Percentage   | 160   |
| Traffic and Toll Revenue - Toll Roads  | 161   |
| <b>Debt Capacity Information</b>   |       |
| These schedules present information intended to assist users in understanding and assessing the department's current levels of outstanding debt and the ability to issue additional debt.  |       |
| Ratios of Outstanding Debt by Type   | 162   |
| Ratios of General Bonded Debt Outstanding  | 163   |
| Pledged Revenue Bond Coverage  | 164   |
| <b>Demographic and Economic Information</b>  |       |
| These schedules provide demographic and economic indicators intended to help the reader understand the socio-economic environment within which the department's financial activities take place.                                 |       |
| Texas and U.S. Population, Total Personal Income and Per Capital Income  | 165   |
| Texas and U.S. Employment and Unemployment Rates   | 166   |
| Texas Nonfarm Employment Detail: Number of Jobs  | 167   |
| <b>Operating Information</b>   |       |
| These schedules provide contextual information about the department's operations and resources intended to assist readers in using financial statement information to understand and assess the department's economic condition. |       |
| Full-Time Equivalent Employees (FTE)   | 168   |
| Capital Assets Indicators – Schedule of Assessed Conditions  | 169   |
| Capital Assets Indicators – Schedule of State-Owned Centerline Miles   | 170   |
| Capital Assets Indicators – Schedule of Rated Lane Miles Conditions  | 171   |

Sources: Unless otherwise noted, the information in these schedules is derived from the Texas Department of Transportation for the relevant years.

**Texas Department of Transportation**  
**Statistical Section - Financial Trends Information**  
**Net Position - Government-Wide**  
**Last Ten Fiscal Years**  
(Amounts in Millions)

|   | <u>2013</u>      | <u>2014</u>      | <u>2015</u>      | <u>2016</u>      | <u>2017</u>      |
|---|------------------|------------------|------------------|------------------|------------------|
| <b>GOVERNMENTAL ACTIVITIES</b>              |                  |                  |                  |                  |                  |
| Net Investment in Capital Assets            | \$ 62,877        | \$ 67,775        | \$ 70,083        | \$ 71,358        | \$ 76,120        |
| Restricted                                  | 774              | 292              | 394              | 3,438            | 2,666            |
| Unrestricted                                | 893              | (1,139)          | 95               | (212)            | (114)            |
| Total Governmental Activities Net Position  | <u>64,544</u>    | <u>66,928</u>    | <u>70,572</u>    | <u>74,584</u>    | <u>78,672</u>    |
| <b>BUSINESS-TYPE ACTIVITIES</b>             |                  |                  |                  |                  |                  |
| Net Investment in Capital Assets            | 690              | 637              | 621              | 638              | 597              |
| Restricted                                  | 35               | 65               | 115              | 161              | 272              |
| Unrestricted                                | (176)            | (246)            | (327)            | (475)            | (619)            |
| Total Business-Type Activities Net Position | <u>549</u>       | <u>456</u>       | <u>409</u>       | <u>324</u>       | <u>250</u>       |
| <b>PRIMARY GOVERNMENT</b>                   |                  |                  |                  |                  |                  |
| Net Investment in Capital Assets            | 63,567           | 68,412           | 70,704           | 71,996           | 76,717           |
| Restricted                                  | 809              | 357              | 509              | 3,599            | 2,938            |
| Unrestricted                                | 717              | (1,385)          | (232)            | (687)            | (733)            |
| Total Primary Government Net Position       | <u>\$ 65,093</u> | <u>\$ 67,384</u> | <u>\$ 70,981</u> | <u>\$ 74,908</u> | <u>\$ 78,922</u> |

|   | <u>2018</u>      | <u>2019</u>      | <u>2020</u>      | <u>2021</u>       | <u>2022</u>       |
|---|------------------|------------------|------------------|-------------------|-------------------|
| <b>GOVERNMENTAL ACTIVITIES</b>              |                  |                  |                  |                   |                   |
| Net Investment in Capital Assets            | \$ 79,966        | \$ 85,381        | \$ 92,952        | \$ 102,427        | \$ 109,237        |
| Restricted                                  | 5,551            | 7,964            | 8,298            | 8,642             | 11,153            |
| Unrestricted                                | (4,261)          | (3,855)          | (4,032)          | (6,061)           | (4,900)           |
| Total Governmental Activities Net Position  | <u>81,256</u>    | <u>89,490</u>    | <u>97,218</u>    | <u>105,008</u>    | <u>115,490</u>    |
| <b>BUSINESS-TYPE ACTIVITIES</b>             |                  |                  |                  |                   |                   |
| Net Investment in Capital Assets            | 558              | 769              | 719              | 752               | 720               |
| Restricted                                  | 344              | 379              | 406              | 431               | 387               |
| Unrestricted                                | (692)            | (759)            | (849)            | (1,090)           | (1,212)           |
| Total Business-Type Activities Net Position | <u>210</u>       | <u>389</u>       | <u>276</u>       | <u>93</u>         | <u>(105)</u>      |
| <b>PRIMARY GOVERNMENT</b>                   |                  |                  |                  |                   |                   |
| Net Investment in Capital Assets            | 80,524           | 86,150           | 93,671           | 103,179           | 109,957           |
| Restricted                                  | 5,895            | 8,343            | 8,704            | 9,073             | 11,540            |
| Unrestricted                                | (4,953)          | (4,614)          | (4,881)          | (7,151)           | (6,112)           |
| Total Primary Government Net Position       | <u>\$ 81,466</u> | <u>\$ 89,879</u> | <u>\$ 97,494</u> | <u>\$ 105,101</u> | <u>\$ 115,385</u> |

Source: Fiscal 2013 - 2022 TxDOT financial statements

**Texas Department of Transportation**  
**Statistical Section - Financial Trends Information**  
**Changes in Net Position - Entity-Wide**  
**Last Ten Fiscal Years**  
(Amounts in Millions)

|  | 2013           | 2014            | 2015            | 2016            | 2017            | 2018            | 2019            | 2020            | 2021            | 2022             |
|--|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| <b>GOVERNMENTAL ACTIVITIES:</b>              |                |                 |                 |                 |                 |                 |                 |                 |                 |                  |
| Expenses                                     |                |                 |                 |                 |                 |                 |                 |                 |                 |                  |
| Transportation                               | \$ 5,829       | \$ 5,688        | \$ 5,710        | \$ 5,686        | \$ 6,135        | \$ 6,475        | \$ 6,048        | \$ 6,981        | \$ 6,463        | \$ 6,894         |
| Total Expenses                               | <u>5,829</u>   | <u>5,688</u>    | <u>5,710</u>    | <u>5,686</u>    | <u>6,135</u>    | <u>6,475</u>    | <u>6,048</u>    | <u>6,981</u>    | <u>6,463</u>    | <u>6,894</u>     |
| Program Revenues:                            |                |                 |                 |                 |                 |                 |                 |                 |                 |                  |
| Charges for Services                         | 742            | 779             | 746             | 916             | 1,114           | 1,277           | 1,148           | 1,141           | 1,126           | 1,095            |
| Operating Grants and Contributions           | 2,870          | 3,417           | 3,297           | 3,942           | 3,835           | 3,972           | 4,483           | 5,901           | 4,422           | 4,715            |
| Capital Grants and Contributions             | 30             | 90              | 52              | 39              | 50              | 62              | 117             | 37              | 55              | 59               |
| Total Program Revenues                       | <u>3,642</u>   | <u>4,286</u>    | <u>4,095</u>    | <u>4,897</u>    | <u>4,999</u>    | <u>5,311</u>    | <u>5,748</u>    | <u>7,079</u>    | <u>5,603</u>    | <u>5,869</u>     |
| Total Governmental Activities                |                |                 |                 |                 |                 |                 |                 |                 |                 |                  |
| Net Program Expense                          | <u>(2,187)</u> | <u>(1,402)</u>  | <u>(1,615)</u>  | <u>(789)</u>    | <u>(1,136)</u>  | <u>(1,164)</u>  | <u>(300)</u>    | <u>98</u>       | <u>(860)</u>    | <u>(1,025)</u>   |
| General Revenues:                            |                |                 |                 |                 |                 |                 |                 |                 |                 |                  |
| Appropriations                               | 12             | 598             | 195             | 219             | 269             | 1               |                 | 17              |                 | 1                |
| Taxes  | 2,407          | 2,488           | 3,747           | 3,035           | 3,447           | 6,589           | 6,970           | 6,012           | 6,830           | 8,964            |
| Unrestricted Investment Earnings             | 29             | 37              | 34              | 52              | 77              | 99              | 166             | 141             | 86              | 60               |
| Settlement of Claims                         | 12             | 17              | 22              | 48              | 28              | 21              | 42              | 34              | 44              | 37               |
| Motor Vehicle & Mfg Housing                  |                |                 |                 |                 |                 |                 |                 |                 | 237             | 489              |
| Other General Revenues                       | 2              | 23              | 9               | 17              | 9               | 4               | 4               |                 | 2               | 3                |
| Gain on Sale of Capital Assets               | 1              |                 | 48              | 53              |                 |                 | 2               | 18              |                 |                  |
| Capital Contributions                        |                | (153)           |                 |                 |                 |                 |                 |                 |                 |                  |
| Transfers - Internal Activities              | (225)          | (33)            | (2)             | (2)             | (5)             | (26)            | (195)           | (30)            | (39)            | (4)              |
| Transfers - Other State Agencies             | 616            | 842             | 2,529           | 1,379           | 1,399           | 1,496           | 1,544           | 1,438           | 1,584           | 1,960            |
| Total General Revenues, Contributions and    |                |                 |                 |                 |                 |                 |                 |                 |                 |                  |
| Transfers                                    | <u>2,854</u>   | <u>3,819</u>    | <u>6,582</u>    | <u>4,801</u>    | <u>5,224</u>    | <u>8,184</u>    | <u>8,533</u>    | <u>7,630</u>    | <u>8,744</u>    | <u>11,510</u>    |
| Changes in Net Position - Governmental       |                |                 |                 |                 |                 |                 |                 |                 |                 |                  |
| Activities                                   | <u>\$ 667</u>  | <u>\$ 2,417</u> | <u>\$ 4,967</u> | <u>\$ 4,012</u> | <u>\$ 4,088</u> | <u>\$ 7,020</u> | <u>\$ 8,233</u> | <u>\$ 7,728</u> | <u>\$ 7,884</u> | <u>\$ 10,485</u> |
| <b>BUSINESS-TYPE ACTIVITIES:</b>             |                |                 |                 |                 |                 |                 |                 |                 |                 |                  |
| Expenses                                     |                |                 |                 |                 |                 |                 |                 |                 |                 |                  |
| Transportation                               | \$ 229         | \$ 249          | \$ 252          | \$ 353          | \$ 452          | \$ 491          | \$ 559          | \$ 593          | \$ 607          | \$ 710           |
| Total Expenses                               | <u>229</u>     | <u>249</u>      | <u>252</u>      | <u>353</u>      | <u>452</u>      | <u>491</u>      | <u>559</u>      | <u>593</u>      | <u>607</u>      | <u>710</u>       |
| Program Revenues:                            |                |                 |                 |                 |                 |                 |                 |                 |                 |                  |
| Charges for Services                         | 119            | 155             | 194             | 256             | 359             | 397             | 455             | 403             | 377             | 519              |
| Operating Grants and Contributions           |                | 7               | 2               | 2               | 14              | 23              | 77              | 47              | 9               | (11)             |
| Capital Grants and Contributions             |                |                 |                 |                 |                 |                 | 12              |                 |                 |                  |
| Total Program Revenues                       | <u>119</u>     | <u>162</u>      | <u>196</u>      | <u>258</u>      | <u>373</u>      | <u>420</u>      | <u>544</u>      | <u>450</u>      | <u>386</u>      | <u>508</u>       |
| Total Business-Type Activities               |                |                 |                 |                 |                 |                 |                 |                 |                 |                  |
| Net Program Expense                          | <u>(110)</u>   | <u>(87)</u>     | <u>(56)</u>     | <u>(95)</u>     | <u>(79)</u>     | <u>(71)</u>     | <u>(15)</u>     | <u>(143)</u>    | <u>(221)</u>    | <u>(202)</u>     |
| General Revenues:                            |                |                 |                 |                 |                 |                 |                 |                 |                 |                  |
| Unrestricted Investment Earnings             | 6              |                 | 5               | 8               |                 |                 |                 |                 |                 |                  |
| Settlement of Claims                         | 1              |                 |                 |                 |                 | 5               |                 |                 |                 |                  |
| Capital Contributions                        |                |                 | 2               |                 |                 |                 |                 |                 |                 |                  |
| Transfers - Internal Activities              | 225            | 33              | 2               | 2               | 5               | 26              | 195             | 29              | 39              | 4                |
| Total General Revenues, Contributions and    |                |                 |                 |                 |                 |                 |                 |                 |                 |                  |
| Transfers                                    | <u>232</u>     | <u>33</u>       | <u>9</u>        | <u>10</u>       | <u>5</u>        | <u>31</u>       | <u>195</u>      | <u>29</u>       | <u>39</u>       | <u>4</u>         |
| Changes in Net Position - Business-Type      |                |                 |                 |                 |                 |                 |                 |                 |                 |                  |
| Activities                                   | <u>122</u>     | <u>(54)</u>     | <u>(47)</u>     | <u>(85)</u>     | <u>(74)</u>     | <u>(40)</u>     | <u>180</u>      | <u>(114)</u>    | <u>(182)</u>    | <u>(198)</u>     |
| Changes in Net Position - Primary Government | <u>\$ 789</u>  | <u>\$ 2,363</u> | <u>\$ 4,920</u> | <u>\$ 3,927</u> | <u>\$ 4,014</u> | <u>\$ 6,980</u> | <u>\$ 8,413</u> | <u>\$ 7,614</u> | <u>\$ 7,702</u> | <u>\$ 10,287</u> |

Source: Fiscal 2013 - 2022 TxDOT financial statements

**Texas Department of Transportation**  
**Statistical Section - Financial Trends Information**  
**Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
(Amounts in Millions)

|                                     | 2013     | 2014     | 2015     | 2016     | 2017     | 2018     | 2019     | 2020     | 2021     | 2022     |
|-------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| <b>STATE HIGHWAY FUND</b>           |          |          |          |          |          |          |          |          |          |          |
| Nonspendable                        | \$ 142   | \$ 139   | \$ 181   | \$ 162   | \$ 154   | \$ 146   | \$ 139   | \$ 144   | 147      | 144      |
| Restricted                          | 533      | 855      | 2,388    | 2,622    | 2,227    | 3,710    | 5,485    | 6,956    | 6,915    | 7,097    |
| Committed                           |          | 1,843    | 1,411    | 1,140    | 927      | 788      | 720      | 454      | 671      | 632      |
| Assigned                            |          | 723      | 39       | 573      | 877      | 1,320    | 1,119    |          | 301      | 923      |
| Unassigned                          | (688)    |          |          |          |          |          |          |          |          |          |
| Total State Highway Fund            | \$ (13)  | \$ 3,560 | \$ 4,019 | \$ 4,497 | \$ 4,185 | \$ 5,964 | \$ 7,463 | \$ 7,554 | \$ 8,034 | \$ 8,796 |
| <b>TEXAS MOBILITY FUND</b>          |          |          |          |          |          |          |          |          |          |          |
| Restricted                          | \$ 1,197 | \$ 373   | \$ 1,191 | \$ 1,081 | \$ 910   | \$ 546   | \$ 219   | \$ 218   | 242      | 262      |
| Committed                           |          |          |          |          |          |          | 192      | 103      | 147      | 200      |
| Unassigned                          |          |          | (19)     |          |          |          |          |          |          |          |
| Total Texas Mobility Fund           | \$ 1,197 | \$ 373   | \$ 1,172 | \$ 1,081 | \$ 910   | \$ 546   | \$ 411   | \$ 321   | \$ 389   | \$ 462   |
| <b>ALL OTHER GOVERNMENTAL FUNDS</b> |          |          |          |          |          |          |          |          |          |          |
| Restricted                          | \$ 319   | \$ 140   | \$ 442   | \$ 503   | \$ 874   | \$ 605   | \$ 351   | \$ 230   | 334      | 177      |
| Committed                           |          | 222      | 153      | 72       | 25       | 10       | 11       | 10       | 6        | 6        |
| Assigned                            | 2        | 2        | 1        | 6        | 5        |          |          |          |          | 14       |
| Unassigned                          | 21       | (486)    | 20       |          | 7        | 5        | 2        | 16       | 7        | (14)     |
| Total All Other Governmental Funds  | \$ 342   | \$ (122) | \$ 616   | \$ 581   | \$ 911   | \$ 620   | \$ 364   | \$ 256   | \$ 347   | \$ 183   |

Source: Fiscal 2013 - 2022 TxDOT financial statements

**Texas Department of Transportation**  
**Statistical Section - Financial Trends Information**  
**Changes in Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years\***  
(Amounts in Millions)

|  | 2013            | 2014            | 2015            | 2016            | 2017            | 2018            | 2019            | 2020            | 2021            | 2022            |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>REVENUES</b>  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Legislative Appropriations****                             | 13              | 611             | 197             | 220             | 274             | 2               | 2               | 17              |                 |                 |
| Taxes  | 2,419           | 2,488           | 2,583           | 3,760           | 3,115           | 5,976           | 6,686           | 6,546           | 6,744           | 7,273           |
| Federal Revenues   | 2,874           | 3,419           | 3,230           | 3,993           | 3,840           | 3,891           | 4,258           | 5,291           | 5,279           | 4,668           |
| Federal Pass-Through Revenues                              | 1               |                 |                 | 1               | 1               | 13              | 4               | 40              |                 | 26              |
| State Grant Pass Through Revenues                          |                 |                 |                 |                 |                 |                 |                 |                 |                 | 25              |
| Licenses, Fees and Permits                                 | 469             | 425             | 393             | 462             | 504             | 524             | 562             | 560             | 579             | 489             |
| Interest & Investment Income                               | 52              | 37              | 34              | 52              | 78              | 99              | 166             | 141             | 86              | 60              |
| Net Increase (Decrease) Fair Value                         |                 |                 |                 |                 |                 |                 |                 |                 |                 | (3)             |
| Land Income  | 16              | 14              | 16              | 12              | 13              | 23              | 30              | 19              | 21              | 30              |
| Settlement of Claims                                       | 12              | 17              | 22              | 47              | 28              | 21              | 42              | 34              | 44              | 37              |
| Sales of Goods and Services                                | 216             | 226             | 171             | 135             | 280             | 441             | 315             | 251             | 208             | 181             |
| Other Revenues   | 2               | 23              | 9               | 17              | 10              | 4               | 5               |                 | 4               | 2               |
| Total Revenues   | <u>6,074</u>    | <u>7,260</u>    | <u>6,655</u>    | <u>8,699</u>    | <u>8,143</u>    | <u>10,994</u>   | <u>12,070</u>   | <u>12,899</u>   | <u>12,965</u>   | <u>12,788</u>   |
| <b>EXPENDITURES</b>  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Transportation   | 4,566           | 3,503           | 3,484           | 3,524           | 3,595           | 3,696           | 3,954           | 4,278           | 3,643           | 4,738           |
| Capital Outlay   | 3,225           | 5,209           | 5,198           | 6,052           | 6,700           | 6,444           | 7,292           | 8,881           | 9,356           | 8,184           |
| Debt Service:  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Principal  | 299             | 482             | 390             | 393             | 423             | 523             | 595             | 636             | 612             | 627             |
| Interest   | 537             | 590             | 567             | 613             | 665             | 688             | 671             | 674             | 546             | 546             |
| Other Financing Fees                                       | 6               | 12              | 16              | 9               | 11              | 1               | 2               | 14              | 1               | 2               |
| Total Expenditures   | <u>8,633</u>    | <u>9,796</u>    | <u>9,655</u>    | <u>10,591</u>   | <u>11,394</u>   | <u>11,352</u>   | <u>12,514</u>   | <u>14,483</u>   | <u>14,158</u>   | <u>14,097</u>   |
| Excess (Deficiency) of Revenues                            |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Over (Under) Expenditures                                  | <u>(2,559)</u>  | <u>(2,536)</u>  | <u>(3,000)</u>  | <u>(1,892)</u>  | <u>(3,251)</u>  | <u>(358)</u>    | <u>(444)</u>    | <u>(1,584)</u>  | <u>(1,193)</u>  | <u>(1,309)</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>                      |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Transfers In (Note 11)                                     | 1,865           | 2,315           | 3,746           | 2,006           | 2,250           | 2,509           | 2,750           | 2,401           | 2,538           | 2,847           |
| Transfers Out (Note 11)                                    | (1,245)         | (1,476)         | (1,219)         | (627)           | (851)           | (1,035)         | (1,209)         | (966)           | (955)           | (887)           |
| Long-Term Debt Issued**                                    | 1,104           | 645             | 2,160           | 615             | 1,475           |                 |                 |                 | 326             |                 |
| Bond Issued for Refunding                                  |                 | 1,787           | 1,711           | 1,165           | 859             |                 |                 | 3,112           |                 |                 |
| Premium/Discount on Bonds Issued                           |                 | 351             | 598             | 307             | 367             |                 |                 | 213             |                 |                 |
| Payment to Escrow on Refunding                             |                 | (2,072)         | (2,034)         | (1,335)         | (1,010)         |                 |                 | (3,310)         |                 |                 |
| Increase in Obligations for Leases                         |                 |                 |                 |                 |                 |                 |                 |                 |                 | 16              |
| Sale of Capital Assets                                     | 6               | 18              | 73              | 68              | 12              | 9               | 12              | 27              | 18              | 6               |
| Upfront Payment - Service Concession Arrangement           |                 |                 |                 | 26              |                 |                 | 1               |                 |                 |                 |
| Appropriations Lapsed****                                  |                 | (12)            | (1)             |                 | (4)             | (1)             | (2)             |                 |                 |                 |
| Total Other Financing Sources (Uses)                       | <u>1,730</u>    | <u>1,556</u>    | <u>5,034</u>    | <u>2,225</u>    | <u>3,098</u>    | <u>1,482</u>    | <u>1,552</u>    | <u>1,477</u>    | <u>1,927</u>    | <u>1,982</u>    |
| Net Change in Fund Balances                                | (829)           | (980)           | 2,034           | 333             | (153)           | 1,124           | 1,108           | (107)           | 734             | 673             |
| Fund Balance, Beginning Fiscal Year                        | 2,386           | 1,588           | 6,868           | 5,826           | 6,159           | 7,283           | 8,391           | 8,284           | 8,132           | 8,771           |
| Restatements   | 182             | 3,246           |                 |                 |                 |                 |                 | (140)           | (95)            | (3)             |
| Fund Balance, Ending Fiscal Year                           | <u>\$ 1,739</u> | <u>\$ 3,854</u> | <u>\$ 8,902</u> | <u>\$ 6,159</u> | <u>\$ 6,006</u> | <u>\$ 8,407</u> | <u>\$ 9,499</u> | <u>\$ 8,037</u> | <u>\$ 8,771</u> | <u>\$ 9,441</u> |
| Debt Service as a Percentage of Noncapital Expenditures*** | 15.5%           | 23.4%           | 21.5%           | 22.2%           | 23.2%           | 24.7%           | 24.2%           | 23.4%           | 24.1%           | 19.8%           |

\* This table comprises the following funds: general, special revenue, debt service, and capital projects.

\*\* In fiscal 2013-2015, Long-Term Debt Issued was reported under Bond & Note Proceeds line.

\*\*\* In fiscal 2013-2022, Debt Service as a Percentage of Noncapital Expenditures was updated with correct formula.

\*\*\*\* Appropriations Lapsed was reported in a separate line under Other Financing Sources (Uses) in fiscal 2013-2021. Starting fiscal 2022, it was combined into Legislative Appropriations line under Revenue.

**Texas Department of Transportation**  
**Statistical Section - Revenue Capacity Information**  
**Revenue Collections - Taxes - State and TxDOT**  
**Last Ten Fical Years\***  
(Amounts in Millions, Except Gallons)

|                    | <b>Motor Fuels Tax**</b> |                       |                       | <b>Crude Oil Production Tax***</b> |                       |                       | <b>Natural Gas Production Tax ***</b> |                       |                       | <b>Sales &amp; Use Tax****</b> |                       | <b>Motor Vehicle Sales and Rental Tax****</b> |                       |                             |
|--------------------|--------------------------|-----------------------|-----------------------|------------------------------------|-----------------------|-----------------------|---------------------------------------|-----------------------|-----------------------|--------------------------------|-----------------------|---|-----------------------|-----------------------------|
| <b>Fiscal Year</b> | <b>Gallons Sold</b>      | <b>State Receipts</b> | <b>TxDOT Receipts</b> | <b>Gallons Produced</b>            | <b>State Receipts</b> | <b>TxDOT Receipts</b> | <b>Gallons Produced</b>               | <b>State Receipts</b> | <b>TxDOT Receipts</b> | <b>State Receipts</b>          | <b>TxDOT Receipts</b> | <b>State Receipts</b>                         | <b>TxDOT Receipts</b> | <b>Total TxDOT Receipts</b> |
| 2013               | 16,517                   | 3,222                 | 2,366                 | 703                                | 2,990                 |                       | 7,790                                 | 1,495                 |                       | 25,944                         | 43                    |   |                       | 2,409                       |
| 2014               | 17,020                   | 3,316                 | 2,422                 | 893                                | 3,872                 |                       | 7,715                                 | 1,900                 |                       | 27,386                         | 43                    |   |                       | 2,465                       |
| 2015               | 17,666                   | 3,446                 | 2,522                 | 1,080                              | 2,877                 | 1,253                 | 7,938                                 | 1,280                 | 487                   | 28,911                         | 45                    |   |                       | 4,307                       |
| 2016               | 18,047                   | 3,514                 | 2,581                 | 1,034                              | 1,704                 | 879                   | 7,593                                 | 579                   | 255                   | 28,246                         | 45                    |   |                       | 3,760                       |
| 2017               | 18,353                   | 3,584                 | 2,630                 | 1,046                              | 2,107                 | 440                   | 7,227                                 | 983                   |                       | 28,900                         | 45                    |   |                       | 3,115                       |
| 2018               | 18,895                   | 3,675                 | 2,694                 | 1,269                              | 3,392                 | 591                   | 7,993                                 | 1,431                 | 144                   | 31,937                         | 982                   |   |                       | 4,410                       |
| 2019               | 19,221                   | 3,743                 | 2,735                 | 1,557                              | 3,887                 | 1,072                 | 9,306                                 | 1,686                 | 312                   | 34,024                         | 4,104                 |   |                       | 8,223                       |
| 2020               | 18,114                   | 3,525                 | 2,611                 | 1,620                              | 3,229                 | 1,258                 | 9,400                                 | 925                   | 407                   | 34,099                         | 2,500                 |   |                       | 6,776                       |
| 2021               | 18,496                   | 3,598                 | 2,584                 | 1,439                              | 3,449                 | 1,012                 | 9,405                                 | 1,569                 | 122                   | 36,020                         | 2,500                 | 5,677   | 237                   | 6,455                       |
| 2022               | 19,450                   | 3,784                 | 2,792                 | 1,552                              | 6,362                 | 1,094                 | 11,526                                | 4,470                 | 363                   | 42,972                         | 2,500                 | 6,398   | 489                   | 7,238                       |

\* Prior years numbers are subject to revisions due to updated information.

\*\* Motor Fuels include the following:

Gasoline

Diesel Fuel

Liquefied Gas (repealed in 84th Legislative Session 2015)

Liquefied and Compressed Natural Gas (previously included in RO-3009)

\*\*\* Under Proposition 1 (Prop 1), voters approved a portion of oil and gas production taxes to State Highway Fund (SHF) in fiscal 2014. The SHF started receiving Prop 1 funds in fiscal 2015. For natural gas production tax fiscal 2017 didn't reach constitutional required level of \$599.78 million in the preceeding year.

\*\*\*\* On Nov.2, 2015 Texas voters approved Proposition 7 ballot measure that dedicates a portion of the revenue from the state sales and use tax and motor vehicle sales and rental tax to the state highway fund. In fiscal 2018, TxDOT started receiving the Prop 7 funds deposit of the state sales and use tax revenue after the law was enacted. In fiscal 2021, TxDOT started receiving the Prop 7 funds deposit of state motor vehicle sales and rental tax after the law was enacted.

Source: State of Texas Comptroller of Public Accounts

**Texas Department of Transportation**  
**Statistical Section - Revenue Capacity Information**  
**Tax Rates**  
**Last Ten Fiscal Years**

| <b>Fiscal Year</b> | <b>Motor Fuel<br/>Tax Rate*</b> | <b>Motor Fuel<br/>Tax Rate**</b> | <b>Crude Oil<br/>Production<br/>Tax Rate</b> | <b>Natural Gas<br/>Production<br/>Tax Rate</b> | <b>Sales and<br/>Use Tax<br/>Rate</b> |
|--------------------|---------------------------------|----------------------------------|--|--|---------------------------------------|
| 2013               | 0.20%                           | 0.15%                            | 4.37%  | 7.50%  | 6.25%                                 |
| 2014               | 0.20%                           | 0.15%                            | 4.42%  | 7.50%  | 6.25%                                 |
| 2015               | 0.20%                           | 0.15%                            | 4.45%  | 7.50%  | 6.25%                                 |
| 2016               | 0.20%                           | 0.15%                            | 4.39%  | 7.50%  | 6.25%                                 |
| 2017               | 0.20%                           | 0.15%                            | 4.48%  | 7.50%  | 6.25%                                 |
| 2018               | 0.20%                           | 0.15%                            | 4.51%  | 7.50%  | 6.25%                                 |
| 2019               | 0.20%                           | 0.15%                            | 4.53%  | 7.50%  | 6.25%                                 |
| 2020               | 0.20%                           | 0.15%                            | 4.52%  | 7.50%  | 6.25%                                 |
| 2021               | 0.20%                           | 0.15%                            | 4.53%  | 7.50%  | 6.25%                                 |
| 2022               | 0.20%                           | 0.15%                            | 4.55%  | 7.50%  | 6.25%                                 |

\* Tax rate for Gasoline and Diesel Fuel

\*\* Tax rate for Liquefied Gas and Liquefied and Compressed Natural Gas

\*\*\* Prior years are subject to change to to updated information.

Source: State of Texas Comptroller of Public Accounts

**Texas Department of Transportation**  
**Statistical Section - Revenue Capacity Information**  
**Federal Revenue and Percentage**  
**Last Ten Fical Years**  
(Amounts in Millions)

| <b>Fiscal<br/>Year</b> | <b>Federal<br/>Revenue</b> | <b>Increase<br/>/Decrease</b> | <b>Percentage<br/>Change</b> |
|------------------------|----------------------------|-------------------------------|------------------------------|
| 2013                   | 2,874                      | (13)                          | (0.5) %                      |
| 2014                   | 3,419                      | 545                           | 19.0 %                       |
| 2015                   | 3,230                      | (189)                         | (5.5) %                      |
| 2016                   | 3,994                      | 764                           | 23.7 %                       |
| 2017                   | 3,840                      | (154)                         | (3.9) %                      |
| 2018                   | 3,891                      | 51                            | 1.3 %                        |
| 2019                   | 4,258                      | 367                           | 9.4 %                        |
| 2020                   | 5,286                      | 1,028                         | 24.1 %                       |
| 2021                   | 5,279                      | (7)                           | (0.1) %                      |
| 2022                   | 4,668                      | (611)                         | (11.6) %                     |

Source: Fiscal 2013 - 2022 TxDOT financial statements



**Texas Department of Transportation**  
**Statistical Section - Revenue Capacity Information**  
**Traffic and Toll Revenue - Toll Roads**  
**Last Ten Fiscal Years**

| <b>Fiscal Year</b> | <b>Annual Vehicle Transactions</b> | <b>Annual Toll Revenue, Net</b> | <b>Increase/Decrease</b> | <b>Toll Revenue Percentage Change</b> | <b>Toll Rate per Transaction</b> |
|--------------------|------------------------------------|---------------------------------|--------------------------|---------------------------------------|----------------------------------|
| 2013               | 102,506,784                        | 103,988,447                     | 24,047,487               | 30.1%                                 | 1.01                             |
| 2014               | 118,545,176                        | 135,923,412                     | 31,934,965               | 30.7%                                 | 1.15                             |
| 2015               | 146,208,519                        | 179,478,287                     | 43,554,875               | 32.0%                                 | 1.23                             |
| 2016               | 210,526,490                        | 248,219,447                     | 68,741,160               | 38.3%                                 | 1.18                             |
| 2017               | 284,881,295                        | 329,920,341                     | 81,700,895               | 32.9%                                 | 1.16                             |
| 2018               | 323,480,170                        | 366,457,043                     | 36,536,702               | 11.1%                                 | 1.13                             |
| 2019               | 345,998,872                        | 420,219,279                     | 53,762,236               | 14.7%                                 | 1.21                             |
| 2020               | 302,596,110                        | 371,837,606                     | (48,381,673)             | (11.5)%                               | 1.23                             |
| 2021               | 334,396,423                        | 352,982,166                     | (18,855,440)             | (5.1)%                                | 1.06                             |
| 2022               | 404,370,703                        | 464,274,592                     | 111,292,426              | 31.5%                                 | 1.15                             |

Note: The above numbers are for Central Texas Turnpike System for fiscal 2013-2022; Grand Parkway Transportation Corporation for fiscal 2014-2022 and SH249 for fiscal 2021-2022.

\* Prior years are subject to change according to updated information.

Source: TxDOT's Toll Operations Division

**Texas Department of Transportation**  
**Statistical Section - Debt Capacity Information**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years\***

(Amounts in Millions Except Percentage Data and Per Capita)

| Fiscal Year | Government Activities    |               |                 | Business-Type Activities |                 | Total Primary Government | Personal Income | Percentage of Personal Income | Population | Per Capita** |
|-------------|--------------------------|---------------|-----------------|--------------------------|-----------------|--------------------------|-----------------|-------------------------------|------------|--------------|
|             | General Obligation Bonds | Revenue Bonds | Notes and Loans | Revenue Bonds            | Notes and Loans |                          |                 |                               |            |              |
| 2013        | \$ 8,121                 | 3,928         | \$ 1,186        | \$ 4,545                 | \$ 1,083        | \$ 18,863                | \$ 1,179,774    | 1.6%                          | 26.4       | \$ 715       |
| 2014        | 7,868                    | 4,538         | 1,210           | 3,875                    | 1,877           | 19,368                   | 1,250,991       | 1.5%                          | 26.9       | 720          |
| 2015        | 10,188                   | 4,396         | 1,183           | 5,133                    | 758             | 21,658                   | 1,301,781       | 1.7%                          | 27.3       | 793          |
| 2016        | 10,795                   | 4,223         | 1,094           | 5,166                    | 746             | 22,024                   | 1,290,767       | 1.7%                          | 27.8       | 792          |
| 2017        | 11,247                   | 4,733         | 1,308           | 5,089                    | 863             | 23,240                   | 1,361,230       | 1.7%                          | 28.2       | 824          |
| 2018        | 10,971                   | 4,470         | 1,256           | 6,107                    | 1,552           | 24,356                   | 1,461,051       | 1.7%                          | 28.5       | 855          |
| 2019        | 10,683                   | 4,202         | 1,119           | 6,387                    | 1,575           | 23,966                   | 1,530,578       | 1.6%                          | 28.8       | 832          |
| 2020        | 10,354                   | 3,941         | 1,035           | 7,514                    | 637             | 23,481                   | 1,607,790       | 1.5%                          | 29.2       | 804          |
| 2021        | 10,048                   | 3,650         | 1,260           | 7,505                    | 626             | 23,089                   | 1,720,755       | 1.3%                          | 29.5       | 783          |
| 2022        | 9,707                    | 3,353         | 1,189           | 7,484                    | 616             | 22,349                   | 1,808,888       | 1.2%                          | 29.8       | 750          |

\* Prior years are subject to revisions.

\*\*Calculation based on resident population figures from U.S. Bureau of the Census and Texas Comptroller of Public Accounts.

Source: Fiscal 2013 - 2022 TxDOT financial statements

**Texas Department of Transportation**  
**Statistical Section - Debt Capacity Information**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years\***

(Amounts in Millions Except Percentage Data and General Bonded Debt Per Capita)

|  | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Bonded Debt (General<br>Obligation Bonds Only)   | \$ 8,121    | \$ 7,868    | \$ 10,188   | \$ 10,795   | \$ 11,247   | \$ 10,971   | \$ 10,683   | \$ 10,354   | \$ 10,048   | \$ 9,707    |
| Percentage Bonded Debt<br>Change From Prior Year | 12.9 %      | (3.1) %     | 29.5 %      | 6.0 %       | 4.2 %       | (2.5) %     | (2.6) %     | (3.1) %     | (3.0) %     | (3.4) %     |
| Tax Collections**                                | \$ 47,857   | \$ 51,413   | \$ 51,096   | \$ 47,971   | \$ 50,194   | \$ 55,963   | \$ 59,785   | \$ 57,324   | \$ 61,347   | \$ 77,289   |
| Percentage Bonded Debt<br>to Tax Collections     | 17.0 %      | 15.3 %      | 19.9 %      | 22.5 %      | 22.4 %      | 19.6 %      | 17.9 %      | 18.1 %      | 16.4 %      | 12.6 %      |
| Resident Population                              | 26.4        | 26.9        | 27.3        | 27.8        | 28.2        | 28.5        | 28.8        | 29.2        | 29.5        | 29.8        |
| General Bonded Debt Per<br>Capita                | \$ 307.61   | \$ 292.49   | \$ 373.19   | \$ 388.31   | \$ 398.83   | \$ 384.95   | \$ 370.95   | \$ 354.59   | \$ 340.61   | \$ 325.74   |

\* Historical data may reflect a variety of changes in methodology, inflation factors, price indicators and revisions to interim census figures made by the U.S. Bureau of Economic

\*\* Fiscal 2022 Tax Collections is an estimate.

Source: Bonded debt and tax collection amounts are from the fiscal 2013 - 2022 TxDOT financial statements. Resident population figures are from the U.S. Department of Commerce, Bureau of Census and Bureau of Economic Analysis.

**Texas Department of Transportation**  
**Statistical Section - Debt Capacity Information**  
**Pledged Revenue Bond Coverage**  
**Last Ten Fiscal Years**

(Amounts in Millions Except Ratio Data)

|   | 2013     | 2014     | 2015     | 2016     | 2017       | 2018     | 2019       | 2020       | 2021       | 2022       |
|---|----------|----------|----------|----------|------------|----------|------------|------------|------------|------------|
| <b>GOVERNMENTAL ACTIVITIES</b>            |          |          |          |          |            |          |            |            |            |            |
| State Highway Fund Revenue Bonds          |          |          |          |          |            |          |            |            |            |            |
| Pledged Revenue Amount                    | \$ 6,762 | \$ 7,441 | \$ 7,427 | \$ 8,267 | \$ 8,450   | \$ 8,407 | \$ 8,973   | \$ 9,362   | \$ 9,888   | \$ 9,126   |
| Operating Expenditures                    | 6,584    | 7,242    | 7,791    | 8,553    | 9,563      | 9,334    | 10,587     | 12,938     | 12,533     | 12,496     |
| Net Available Revenue                     | \$ 178   | \$ 199   | \$ (364) | \$ (286) | \$ (1,113) | \$ (927) | \$ (1,614) | \$ (3,576) | \$ (2,645) | \$ (3,370) |
| Debt Service -                            |          |          |          |          |            |          |            |            |            |            |
| Principal                                 | \$ 120   | \$ 126   | \$ 132   | \$ 139   | \$ 145     | \$ 216   | \$ 226     | \$ 154     | \$ 384     | \$ 398     |
| Interest                                  | 195      | 189      | 198      | 176      | 195        | 206      | 186        | 151        | 309        | 302        |
| Total Debt Service                        | \$ 315   | \$ 315   | \$ 331   | \$ 315   | \$ 340     | \$ 422   | \$ 412     | \$ 305     | \$ 693     | \$ 700     |
| Coverage Ratio                            | 0.6      | 0.6      | (1.1)    | (0.9)    | (3.3)      | (2.2)    | (3.9)      | (11.7)     | (3.8)      | (4.8)      |
| <b>BUSINESS-TYPE ACTIVITIES</b>           |          |          |          |          |            |          |            |            |            |            |
| Central Texas Turnpike System             |          |          |          |          |            |          |            |            |            |            |
| Pledged Revenue Amount                    | \$ 125   | \$ 150   | \$ 169   | \$ 179   | \$ 208     | \$ 224   | \$ 266     | \$ 229     | \$ 188     | \$ 264     |
| Operating Expenditures                    | 67       | 107      | 110      | 101      | 106        | 111      | 110        | 133        | 176        | 230        |
| Net Available Revenue                     | \$ 58    | \$ 43    | \$ 59    | \$ 78    | \$ 102     | \$ 113   | \$ 156     | \$ 96      | \$ 12      | \$ 34      |
| Debt Service -                            |          |          |          |          |            |          |            |            |            |            |
| Principal                                 | \$ 8     | \$ 10    | \$ 8     | \$ 2     | \$ 8       | \$ 14    | \$ 20      | \$ 27      | \$ 36      | \$ 45      |
| Interest                                  | 72       | 66       | 92       | 107      | 107        | 107      | 107        | 101        | 94         | 94         |
| Total Debt Service                        | \$ 80    | \$ 76    | \$ 100   | \$ 109   | \$ 115     | \$ 121   | \$ 127     | \$ 128     | \$ 130     | \$ 139     |
| Coverage Ratio                            | 0.7      | 0.6      | 0.6      | 0.7      | 0.9        | 0.9      | 1.2        | 0.8        | 0.1        | 0.2        |
| Grand Parkway Transportation Corporation* |          |          |          |          |            |          |            |            |            |            |
| Pledged Revenue Amount                    | N/A      | N/A      | N/A      | \$ 86    | \$ 162     | \$ 186   | \$ 229     | \$ 201     | \$ 195     | \$ 253     |
| Operating Expenditures                    | N/A      | N/A      | N/A      | 77       | 94         | 101      | 108        | 112        | 116        | 160        |
| Net Available Revenue                     | N/A      | N/A      | N/A      | \$ 9     | \$ 68      | \$ 85    | \$ 121     | \$ 89      | \$ 78      | \$ 93      |
| Debt Service -                            |          |          |          |          |            |          |            |            |            |            |
| Principal                                 | N/A      | N/A      | N/A      | \$       | \$         | \$       | \$         | \$         | \$ 14      | \$ 18      |
| Interest                                  | N/A      | N/A      | N/A      | 111      | 105        | 90       | 152        | 131        | 183        | 175        |
| Total Debt Service                        | N/A      | N/A      | N/A      | \$ 111   | \$ 105     | \$ 90    | \$ 152     | \$ 131     | \$ 197     | \$ 194     |
| Coverage Ratio                            | N/A      | N/A      | N/A      | 0.1      | 0.6        | 0.9      | 0.8        | 0.7        | 0.4        | 0.5        |
| SH249 System**                            |          |          |          |          |            |          |            |            |            |            |
| Pledged Revenue Amount                    | N/A      | N/A      | N/A      | N/A      | N/A        | N/A      | \$ 2       | \$ 1       | \$ 6       | \$ 16      |
| Operating Expenditures                    | N/A      | N/A      | N/A      | N/A      | N/A        | N/A      |            |            |            |            |
| Net Available Revenue                     | N/A      | N/A      | N/A      | N/A      | N/A        | N/A      | \$ 2       | \$ 1       | \$ 6       | \$ 16      |
| Debt Service -                            |          |          |          |          |            |          |            |            |            |            |
| Principal                                 | N/A      | N/A      | N/A      | N/A      | N/A        | N/A      | \$         | \$         | \$         |            |
| Interest                                  | N/A      | N/A      | N/A      | N/A      | N/A        | N/A      | 3          | 8          | 8          | 8          |
| Total Debt Service                        | N/A      | N/A      | N/A      | N/A      | N/A        | N/A      | \$ 3       | \$ 8       | \$ 8       | \$ 8       |
| Coverage Ratio                            | N/A      | N/A      | N/A      | N/A      | N/A        | N/A      | 0.5        | 0.2        | 0.8        | 2.1        |

\* Grand Parkway Transportation Corporation published its first annual financial report in fiscal 2016.

\*\* SH249 issued bonds in fiscal 2019.

Source: Fiscal 2013 - 2022 TxDOT financial statements

**Texas Department of Transportation**  
**Statistical Section - Demographic and Economic Information**  
**Texas and U.S. Population, Total Personal Income and Per Capital Income**  
**Last Ten Calendar Years\***

| Year   | Population (Thousands) |                 |         |                 | Total Personal Income (Millions) |                 |               |                 | Per Capita Income |                 |           |                 |
|--------|------------------------|-----------------|---------|-----------------|----------------------------------|-----------------|---------------|-----------------|-------------------|-----------------|-----------|-----------------|
|        | Texas                  | Percent Changes | U.S.    | Percent Changes | Texas                            | Percent Changes | U.S.          | Percent Changes | Texas             | Percent Changes | U.S.      | Percent Changes |
| 2013   | 26,508                 | 1.4%            | 317,368 | 0.9%            | \$ 1,184,841                     | 4.6%            | \$ 14,193,657 | 1.3%            | \$ 44,697         | 3.2%            | \$ 44,723 | 0.4%            |
| 2014   | 26,978                 | 1.8%            | 319,880 | 0.8%            | 1,274,637                        | 7.6%            | 14,976,575    | 5.5%            | 47,247            | 5.7%            | 46,819    | 4.7%            |
| 2015   | 27,458                 | 1.8%            | 322,408 | 0.8%            | 1,300,510                        | 2.0%            | 15,685,228    | 4.7%            | 47,364            | 0.2%            | 48,650    | 3.9%            |
| 2016   | 27,882                 | 1.5%            | 324,900 | 0.8%            | 1,296,481                        | (0.00)          | 16,096,892    | 2.6%            | 46,499            | (1.8)%          | 49,544    | 1.8%            |
| 2017   | 28,242                 | 1.3%            | 327,113 | 0.7%            | 1,387,824                        | 7.0%            | 16,850,193    | 4.7%            | 49,140            | 5.7%            | 51,512    | 4.0%            |
| 2018   | 28,570                 | 1.2%            | 329,025 | 0.6%            | 1,483,122                        | 6.9%            | 17,705,986    | 5.1%            | 51,912            | 5.6%            | 53,813    | 4.5%            |
| 2019   | 28,920                 | 1.2%            | 330,651 | 0.5%            | 1,544,021                        | 4.1%            | 18,424,386    | 4.1%            | 53,389            | 2.8%            | 55,722    | 3.5%            |
| 2020   | 29,255                 | 1.2%            | 331,760 | 0.3%            | 1,618,635                        | 4.8%            | 19,627,581    | 6.5%            | 55,328            | 3.6%            | 59,162    | 6.2%            |
| 2021   | 29,564                 | 1.1%            | 332,222 | 0.1%            | 1,762,055                        | 8.9%            | 21,092,760    | 7.5%            | 59,601            | 7.7%            | 63,490    | 7.3%            |
| 2022** | 29,887                 | 1.1%            | 333,105 | 0.3%            | 1,832,336                        | 4.0%            | 21,771,949    | 3.2%            | 61,309            | 2.9%            | 65,361    | 2.9%            |

\*The schedule includes the last ten calendar years. Prior years numbers are subject to revisions.

\*\* Numbers for 2022 include some estimates for the latter part of the year.

Source: U.S. Bureau of Economic Analysis, U.S. Bureau of the Census, and Texas Comptroller of Public Accounts

**Texas Department of Transportation**  
**Statistical Section - Demographic and Economic Information**  
**Texas and U.S. Employment and Unemployment Rates**  
**Last Ten Calendar Years\***

| Year   | Nonfarm Employment<br>(Thousands) |                    |         |                    | Unemployment<br>Percentage Rate |      |
|--------|-----------------------------------|--------------------|---------|--------------------|---------------------------------|------|
|        | Texas                             | Percent<br>Changes | U.S.    | Percent<br>Changes | Texas                           | U.S. |
| 2013   | 11,244                            | 3.0%               | 136,356 | 1.6%               | 6.3%                            | 7.4% |
| 2014   | 11,596                            | 3.1%               | 138,922 | 1.9%               | 5.2%                            | 6.2% |
| 2015   | 11,868                            | 2.3%               | 141,804 | 2.1%               | 4.5%                            | 5.3% |
| 2016   | 12,017                            | 1.3%               | 144,333 | 1.8%               | 4.6%                            | 4.9% |
| 2017   | 12,232                            | 1.8%               | 146,606 | 1.6%               | 4.4%                            | 4.4% |
| 2018   | 12,524                            | 2.4%               | 148,898 | 1.6%               | 3.9%                            | 3.9% |
| 2019   | 12,814                            | 2.3%               | 150,894 | 1.3%               | 3.5%                            | 3.7% |
| 2020   | 12,273                            | (4.2)%             | 142,146 | (5.8)%             | 7.7%                            | 8.1% |
| 2021   | 12,704                            | 3.5%               | 146,102 | 2.8%               | 5.7%                            | 5.4% |
| 2022** | 13,331                            | 4.9%               | 151,992 | 4.0%               | 4.3%                            | 3.6% |

\*The schedule includes the last ten calendar years. Prior years numbers are subject to revisions.

\*\*Numbers for 2022 include some estimates for the latter part of the year.

Source: Texas Workforce Commission, Texas Comptroller of Public Accounts and U.S. Bureau of Labor Statistics.

**Texas Department of Transportation**  
**Statistical Section - Demographic and Economic Information**  
**Texas Nonfarm Employment Detail: Number of Jobs**  
**Last Ten Calendar Years\***  
(Amounts in Thousands)

| <b>EMPLOYMENT BY INDUSTRY</b>          | <b>2013</b>   | <b>2014</b>   | <b>2015</b>   | <b>2016</b>   | <b>2017</b>   | <b>2018</b>   | <b>2019</b>   | <b>2020</b>   | <b>2021</b>   | <b>2022**</b> |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>GOODS-PRODUCING</b>                 |               |               |               |               |               |               |               |               |               |               |
| Natural Resources and Mining           | 289           | 311           | 273           | 213           | 222           | 246           | 249           | 192           | 180           | 214           |
| Construction                           | 613           | 651           | 683           | 700           | 712           | 740           | 774           | 737           | 735           | 773           |
| Manufacturing                          |               |               |               |               |               |               |               |               |               |               |
| Durables                               | 583           | 591           | 579           | 543           | 542           | 565           | 584           | 552           | 552           | 576           |
| Nondurables                            | 293           | 297           | 300           | 305           | 310           | 317           | 323           | 317           | 322           | 337           |
| Total, Good-Producing                  | <u>1,778</u>  | <u>1,850</u>  | <u>1,835</u>  | <u>1,761</u>  | <u>1,786</u>  | <u>1,868</u>  | <u>1,930</u>  | <u>1,798</u>  | <u>1,789</u>  | <u>1,900</u>  |
| <b>SERVICE-PROVIDING</b>               |               |               |               |               |               |               |               |               |               |               |
| Trade, Transportation, and Utilities   |               |               |               |               |               |               |               |               |               |               |
| Wholesale Trade                        | 535           | 554           | 565           | 561           | 569           | 586           | 599           | 579           | 592           | 627           |
| Retail Trade                           | 1,222         | 1,258         | 1,299         | 1,325         | 1,330         | 1,332         | 1,324         | 1,286         | 1,345         | 1,373         |
| Transportation and Warehousing         | 415           | 434           | 458           | 471           | 490           | 508           | 532           | 549           | 580           | 615           |
| Utilities                              | 48            | 49            | 49            | 49            | 50            | 51            | 52            | 52            | 53            | 53            |
| Information                            | 201           | 202           | 201           | 202           | 203           | 205           | 210           | 199           | 208           | 223           |
| Financial Activities                   |               |               |               |               |               |               |               |               |               |               |
| Finance and Insurance                  | 496           | 504           | 518           | 531           | 547           | 557           | 573           | 585           | 607           | 630           |
| Real Estate and Rental and Leasing     | 188           | 196           | 201           | 205           | 214           | 222           | 229           | 219           | 225           | 247           |
| Professional and Business Services     |               |               |               |               |               |               |               |               |               |               |
| Professional, Scientific and Technical | 652           | 685           | 716           | 733           | 750           | 783           | 825           | 831           | 893           | 953           |
| Management, Administrative and Support | 838           | 878           | 899           | 915           | 936           | 963           | 978           | 935           | 1,002         | 1,061         |
| Educational and Health Services        |               |               |               |               |               |               |               |               |               |               |
| Educational Services, Private          | 174           | 180           | 188           | 195           | 202           | 208           | 216           | 207           | 219           | 239           |
| Health Care and Social Assistance      | 1,312         | 1,341         | 1,389         | 1,430         | 1,464         | 1,491         | 1,526         | 1,491         | 1,513         | 1,544         |
| Leisure and Hospitality                | 1,140         | 1,188         | 1,242         | 1,290         | 1,319         | 1,357         | 1,396         | 1,179         | 1,295         | 1,435         |
| Other Services                         | 400           | 413           | 420           | 424           | 427           | 436           | 446           | 398           | 418           | 441           |
| Government                             |               |               |               |               |               |               |               |               |               |               |
| Federal Civilian                       | 197           | 193           | 194           | 198           | 200           | 201           | 204           | 214           | 212           | 213           |
| State and Local                        | 1,648         | 1,671         | 1,694         | 1,727         | 1,745         | 1,756         | 1,774         | 1,751         | 1,753         | 1,777         |
| Total, Service-Providing               | <u>9,466</u>  | <u>9,746</u>  | <u>10,033</u> | <u>10,256</u> | <u>10,446</u> | <u>10,656</u> | <u>10,884</u> | <u>10,475</u> | <u>10,915</u> | <u>11,431</u> |
| Total Nonfarm Employment               | <u>11,244</u> | <u>11,596</u> | <u>11,868</u> | <u>12,017</u> | <u>12,232</u> | <u>12,524</u> | <u>12,814</u> | <u>12,273</u> | <u>12,704</u> | <u>13,331</u> |

\*Data in the table are annual averages. Prior years are subject to annual benchmark revisions.

\*\*Numbers for 2022 include some estimates for the latter part of the year.

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. This table provides alternative information regarding the source of the state's major tax revenue.

Source: ISH Markit, Texas Workforce Commission, and Texas Comptroller of Public Accounts

**Texas Department of Transportation**  
**Statistical Section - Operating Information**  
**Full-Time Equivalent Employees (FTE)**  
**Last Ten Fiscal Years**

|             | <u>2013</u>   | <u>2014</u>   | <u>2015</u>   | <u>2016</u>   | <u>2017</u>   |
|-------------|---------------|---------------|---------------|---------------|---------------|
| FTE Cap*    | 12,203        | 12,087        | 12,087        | 11,900        | 11,900        |
| FTE         | 11,614        | 11,647        | 11,574        | 11,795        | 11,369        |
| Contractor  | <u>108</u>    | <u>68</u>     | <u>72</u>     | <u>77</u>     | <u>36</u>     |
| Total Usage | <u>11,722</u> | <u>11,715</u> | <u>11,646</u> | <u>11,872</u> | <u>11,405</u> |
| Over/Under  | <u>(481)</u>  | <u>(372)</u>  | <u>(441)</u>  | <u>(28)</u>   | <u>(495)</u>  |
|             | <u>2018</u>   | <u>2019</u>   | <u>2020</u>   | <u>2021</u>   | <u>2022</u>   |
| FTE Cap     | 12,214        | 12,214        | 12,527        | 12,527        | 12,808        |
| FTE         | 11,597        | 11,886        | 12,097        | 12,164        | 12,228        |
| Contractor  | <u>20</u>     | <u>19</u>     | <u>17</u>     | <u>20</u>     | <u>16</u>     |
| Total Usage | <u>11,617</u> | <u>11,905</u> | <u>12,114</u> | <u>12,184</u> | <u>12,244</u> |
| Over/Under  | <u>(597)</u>  | <u>(309)</u>  | <u>(413)</u>  | <u>(343)</u>  | <u>(564)</u>  |

\* Incorporates Article IX, §18.92, of this Act, due to the enactment of SB 1420, 82nd Legislature, Regular Session, relating to the transfer of powers, duties, functions, programs, and activities of the Department of Transportation relating to oversize and overweight vehicles of the Department of Motor Vehicles, resulting in the transfer of \$7,010,653 in fiscal 2013 in State Highway Funds and 116.0 FTEs in fiscal 2013 to the Department of Motor Vehicles from the Department of Transportation.

Notes:

1. Full-Time Equivalents (FTE) Cap was obtained from the General Appropriations Act (GAA) for each biennium.
2. Usage was determined based on Texas State Auditor's Office (SAO) reports.
3. Summer Hire FTEs are not included in usage totals.
4. Over/Under is the difference between total usage and FTE Cap.
5. Rounding issues in FY 2021 publication for years 2017 - 2020 (Over/Under), has been corrected.
6. This report calculates the FTE count by taking the average of all four quarters of the current fiscal year, based on the SAO query using actual hours.



**Texas Department of Transportation**  
**Statistical Section - Operating Information**  
**Capital Assets Indicators**  
**Schedule of Assessed Conditions**  
**Last Ten Fiscal Years**

|  | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|--|-------------|-------------|-------------|-------------|-------------|
| Interstate Condition                     | 80.3 %      | 77.8 %      | 76.6 %      | 78.6 %      | 80.8 %      |
| Non-Interstate Condition                 | 77.4 %      | 76.0 %      | 75.3 %      | 77.5 %      | 77.8 %      |
| Central Texas Turnpike System            | 85.1 %      | 83.4 %      | 79.0 %      | 76.9 %      | 81.9 %      |
| Grand Parkway Transportation Corporation | N/A %       | N/A %       | N/A %       | N/A %       | 89.9 %      |

|  | <u>2018</u> | <u>2019</u> | <u>2020*</u> | <u>2021**</u> | <u>2022***</u> |
|--|-------------|-------------|--------------|---------------|----------------|
| Interstate Condition                     | 80.3 %      | 80.9 %      | 80.0 %       | 82.7 %        | 77.8 %         |
| Non-Interstate Condition                 | 77.8 %      | 79.6 %      | 78.1 %       | 79.5 %        | 77.8 %         |
| Central Texas Turnpike System            | 79.7 %      | 84.9 %      | N/A %        | N/A %         | N/A %          |
| Grand Parkway Transportation Corporation | 88.5 %      | 87.7 %      | 89.9 %       | 88.7 %        | 90.0 %         |

Notes:

1. Starting in FY 2020 districts are now inspected every other year. Even-numbered districts are inspected during even-numbered fiscal years and odd-numbered districts are inspected during odd-numbered fiscal years.
2. Toll roads are only inspected by district request. The toll road inspections may or may not be entered into TxMAP.
3. Texas Maintenance Assessment Program (TxMAP) doesn't assess GPTC separately. The information is for inspected on-system roadways.
4. The GPTC system is annually inspected by the HTNB Corporation using the TxMAP methodology to satisfy the Trust Indenture requirements.

\*Covid 19 significantly restricted the TxMAP inspections in FY2020. Only 6 districts (ABL, AUS, DAL, FTW, ODA, TYL) were inspected and no toll roads were inspected, including Central Texas Turnpike System (CTTS).

\*\*Five districts were inspected in FY2021 due to Covid-19 restrictions and new TxMAP policies (PAR, SJT, WAC, AUS, BRY).

\*\*\*Twelve districts were inspected in FY2022 due to current TxMAP policies (ABL,AMA,AUS,BMT,CRP,DAL,ELP,FTW,HOU,LRD,ODA,TYL).

Source: Assessed conditions provided by TxDOT's Maintenance Division

**Texas Department of Transportation**  
**Statistical Section - Operating Information**  
**Capital Assets Indicators**  
**Schedule of State-Owned Centerline Miles**  
**Last Ten Calendar Years\***

|                               | <u>2013</u>   | <u>2014</u>   | <u>2015**</u> | <u>2016**</u> | <u>2017***</u> |
|-------------------------------|---------------|---------------|---------------|---------------|----------------|
| Interstate highways           | 3,272         | 3,415         | 3,417         | 3,417         | 3,436          |
| U.S.highways                  | 12,062        | 11,900        | 11,905        | 11,905        | 11,887         |
| State highways                | 16,411        | 16,396        | 16,390        | 16,390        | 16,426         |
| Farm or Ranch to Market roads | 40,933        | 40,931        | 40,910        | 40,910        | 40,910         |
| Frontage roads                | 7,245         | 7,336         | 7,453         | 7,453         | 7,476          |
| Park roads                    | 345           | 345           | 348           | 348           | 348            |
| Total Miles                   | <u>80,268</u> | <u>80,323</u> | <u>80,423</u> | <u>80,423</u> | <u>80,483</u>  |
|                               | <u>2018</u>   | <u>2019</u>   | <u>2020</u>   | <u>2021</u>   | <u>2022</u>    |
| Interstate highways           | 3,459         | 3,459         | 3,459         | 3,463         | 3,466          |
| U.S.highways                  | 11,851        | 11,852        | 11,852        | 11,860        | 11,852         |
| State highways                | 16,390        | 16,380        | 16,404        | 16,420        | 16,443         |
| Farm or Ranch to Market roads | 40,849        | 40,846        | 40,854        | 40,857        | 40,865         |
| Frontage roads                | 7,546         | 7,570         | 7,685         | 7,769         | 7,927          |
| Park roads                    | 349           | 349           | 352           | 351           | 352            |
| Total Miles                   | <u>80,444</u> | <u>80,456</u> | <u>80,606</u> | <u>80,720</u> | <u>80,905</u>  |

\* The information are for roadways under TxDOT's jurisdiction.

\*\* Total public roadway mileage was held constant from calendar year 2015 to 2016 due to the transition to a new roadway inventory database system (GRID). This transition continued in calendar year 2016, when mileage updates were limited to select on-system routes.

\*\*\* In calendar year 2017, the transition from the legacy system to GRID was completed. Mileage and traffic data were reported for the first time using GRID, and the routine work of roadway edits and additions was resumed.

Source: Centerline miles provided by TxDOT's Transportation Planning and Program Division

**Texas Department of Transportation**  
**Statistical Section - Operating Information**  
**Capital Assets Indicators**  
**Schedule of Rated Lane Miles Conditions**  
**Last Ten Fiscal Years**

|                             | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Lane Miles            | 197,202     | 197,142     | 197,757     | 197,549     | 197,295     |
| Rated Lane Miles            | 190,695     | 190,798     | 191,049     | 192,990     | 196,438     |
| Good or Better Lane Miles   | 168,441     | 166,351     | 166,055     | 168,521     | 169,522     |
| % Good or Better Lane Miles | 88.3 %      | 87.2 %      | 86.9 %      | 87.3 %      | 86.3 %      |
| % Change from Prior Year    | 2.0 %       | (1.2) %     | (0.2) %     | 1.5 %       | 0.6 %       |
|                             | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
| Total Lane Miles            | 197,438     | 197,558     | 198,700     | 201,225     | 201,928     |
| Rated Lane Miles            | 196,120     | 195,287     | 197,188     | 200,030     | 200,763     |
| Good or Better Lane Miles   | 172,442     | 171,804     | 175,094     | 178,643     | 179,670     |
| % Good or Better Lane Miles | 87.9 %      | 88.0 %      | 88.8 %      | 89.3 %      | 89.5 %      |
| % Change from Prior Year    | 1.7 %       | (0.4) %     | 1.9 %       | 2.0 %       | 0.6 %       |

Source: TxDOT's Transportation Planning and Program Division

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# 04 OTHER INFORMATION



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## Section Four

# Other Information

**Schedule 1A - Schedule of Expenditures of Federal Awards (Unaudited)**

**Schedule 1B - Schedule of State Grant Pass-Throughs from/to State Agencies (Unaudited)**

**Schedule 2 - Bond Schedules**

**Schedule 2A - Miscellaneous Bond Information**

**Schedule 2B - Changes in Bonded Indebtedness**

**Schedule 2C - Debt Service Requirements**

**Schedule 2D - Analysis of Funds Available for Debt Service**

**Schedule 2E - Defeased Outstanding Bonds**

**Schedule 3 - Matrix of Expenditures Reported by Function - Governmental Funds (Unaudited)**

**Note:** All schedules are presented unrounded (in dollars and cents).

**TEXAS DEPARTMENT OF TRANSPORTATION**  
**SCHEDULE 1A-SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Year Ended August 31, 2022

| Federal Grantor/<br>Pass-Through Grantor/<br>Program Title   | Federal<br>ALN | Pass-Through From |                   |                   | Direct<br>Program<br>Amount |
|--|----------------|-------------------|-------------------|-------------------|-----------------------------|
|  |                | Agency<br>Number  | State<br>Entities | Other<br>Entities |                             |
|  |                | \$                |                   | \$                | \$                          |
| <u><i>Federal Aviation Administration (FAA):</i></u>   |                |                   |                   |                   |                             |
| Direct Program:  |                |                   |                   |                   |                             |
| Airport Improvement Program  | 20.106         |                   |                   |                   | 56,189,390.62               |
| COVID-19 - Airport Improvement Program   | 20.106         |                   |                   |                   | 4,291,169.26                |
| Pass-Through Funds to Other Entities:  |                |                   |                   |                   |                             |
| Airport Improvement Program  | 20.106         |                   |                   |                   | 364,348.80                  |
| COVID-19 - Airport Improvement Program   | 20.106         |                   |                   |                   | 3,199,115.07                |
| Total FAA:   |                |                   | 0.00              | 0.00              | 64,044,023.75               |
| <u><i>Federal Highway Administration (FHWA):</i></u>   |                |                   |                   |                   |                             |
| Direct Program:  |                |                   |                   |                   |                             |
| Highway Research and Development Program   | 20.200         |                   |                   |                   | (988,537.44)                |
| Total FHWA:  |                |                   | 0.00              | 0.00              | (988,537.44)                |
| <u><i>Federal Railroad Administration (FRA):</i></u>   |                |                   |                   |                   |                             |
| Direct Program:  |                |                   |                   |                   |                             |
| Railroad Safety  | 20.301         |                   |                   |                   | 16.90                       |
| Railroad Development   | 20.314         |                   |                   |                   | 433,707.79                  |
| Capital Assistance to States - Intercity Passenger<br>Rail Service   | 20.317         |                   |                   |                   | (19,212.86)                 |
| Total FRA:   |                |                   | 0.00              | 0.00              | 414,511.83                  |
| <u><i>Federal Transit Administration (FTA):</i></u>  |                |                   |                   |                   |                             |
| Direct Program:  |                |                   |                   |                   |                             |
| Metropolitan Transportation Planning and State<br>and Non-Metropolitan Planning and Research               | 20.505         |                   |                   |                   | 451,999.04                  |
| Formula Grants for Rural Areas and Tribal Transit Program  | 20.509         |                   |                   |                   | 2,003,572.83                |
| Rail Fixed Guideway Public Transportation System State<br>Safety Oversight Formula Grant Program           | 20.528         |                   |                   |                   | 853,942.69                  |
| Pass-Through Funds to Other Entities:  |                |                   |                   |                   |                             |
| Metropolitan Transportation Planning and State<br>and Non-Metropolitan Planning and Research               | 20.505         |                   |                   |                   | 1,951,576.07                |
| Formula Grants for Rural Areas and Tribal Transit Program  | 20.509         |                   |                   |                   | 16,381,813.07               |
| Rail Fixed Guideway Public Transportation System State<br>Safety Oversight Formula Grant Program           | 20.528         |                   |                   |                   | 187,628.43                  |
| COVID-19 - Formula Grants for Rural Areas and Tribal<br>Transit Program                                    | 20.509         |                   |                   |                   | 59,404,754.13               |
| Total FTA:   |                |                   | 0.00              | 0.00              | 81,235,286.26               |
| <u><i>National Highway Traffic Safety Admin. (NHTSA):</i></u>  |                |                   |                   |                   |                             |
| Direct Program:  |                |                   |                   |                   |                             |
| NHTSA Discretionary Safety Grants  | 20.614         |                   |                   |                   | 243,664.15                  |
| Total NHTSA:   |                |                   | 0.00              | 0.00              | 243,664.15                  |
| <u><i>Office of the Secretary (OST) Administration Secretariat:</i></u>                                    |                |                   |                   |                   |                             |
| Pass-Through Funds to Other Entities:  |                |                   |                   |                   |                             |
| National Infrastructure Investments  | 20.933         |                   |                   |                   | (1.00)                      |
| Total OST:   |                |                   | 0.00              | 0.00              | (1.00)                      |
| <u><i>General Services Administration (GSA):</i></u>   |                |                   |                   |                   |                             |
| Pass-Through Funds:  |                |                   |                   |                   |                             |
| Donation of Federal Surplus Personal Property-NonMonetary<br>Pass-Through from Texas Facilities Commission | 39.003         | 303               | 115,787.64        |                   |                             |
| Total GSA:   |                |                   | 115,787.64        | 0.00              | 0.00                        |
| <u><i>Environmental Protection Agency (EPA):</i></u>   |                |                   |                   |                   |                             |
| Direct Program:  |                |                   |                   |                   |                             |
| Diesel Emission Reduction Act (DERA) National Grants   | 66.039         |                   |                   |                   | 13,574.32                   |
| Total EPA:   |                |                   | 0.00              | 0.00              | 13,574.32                   |
| <u><i>Department of Homeland Security (DHS):</i></u>   |                |                   |                   |                   |                             |
| Pass-Through Funds:  |                |                   |                   |                   |                             |
| Disaster Grants - Public Assistance<br>Pass-Through from Texas Division of Emergency Management            | 97.036         | 575               | 25,590,537.85     |                   |                             |
| Total DHS:   |                |                   | 25,590,537.85     | 0.00              | 0.00                        |



| Through From<br>and Direct<br>Program | Agency<br>Number | Pass-Through To   |                   | Expenditures  | Through To<br>and Expenditures<br>Amount |
|---------------------------------------|------------------|-------------------|-------------------|---------------|--|
| \$                                    | \$               | State<br>Entities | Other<br>Entities | \$            | \$                                       |
| 56,189,390.62                         |                  |                   |                   | 56,189,390.62 | 56,189,390.62                            |
| 4,291,169.26                          |                  |                   |                   | 4,291,169.26  | 4,291,169.26                             |
| 364,348.80                            |                  |                   | 364,348.80        |               | 364,348.80                               |
| 3,199,115.07                          |                  |                   | 3,199,115.07      |               | 3,199,115.07                             |
| 64,044,023.75                         |                  | 0.00              | 3,563,463.87      | 60,480,559.88 | 64,044,023.75                            |
| (988,537.44)                          |                  |                   |                   | (988,537.44)  | (988,537.44)                             |
| (988,537.44)                          |                  | 0.00              | 0.00              | (988,537.44)  | (988,537.44)                             |
| 16.90                                 |                  |                   |                   | 16.90         | 16.90                                    |
| 433,707.79                            |                  |                   |                   | 433,707.79    | 433,707.79                               |
| (19,212.86)                           |                  |                   |                   | (19,212.86)   | (19,212.86)                              |
| 414,511.83                            |                  | 0.00              | 0.00              | 414,511.83    | 414,511.83                               |
| 451,999.04                            |                  |                   |                   | 451,999.04    | 451,999.04                               |
| 2,003,572.83                          |                  |                   |                   | 2,003,572.83  | 2,003,572.83                             |
| 853,942.69                            |                  |                   |                   | 853,942.69    | 853,942.69                               |
| 1,951,576.07                          |                  |                   | 1,951,576.07      |               | 1,951,576.07                             |
| 16,381,813.07                         |                  |                   | 16,381,813.07     |               | 16,381,813.07                            |
| 187,628.43                            |                  |                   | 187,628.43        |               | 187,628.43                               |
| 59,404,754.13                         |                  |                   | 59,404,754.13     |               | 59,404,754.13                            |
| 81,235,286.26                         |                  | 0.00              | 77,925,771.70     | 3,309,514.56  | 81,235,286.26                            |
| 243,664.15                            |                  |                   |                   | 243,664.15    | 243,664.15                               |
| 243,664.15                            |                  | 0.00              | 0.00              | 243,664.15    | 243,664.15                               |
| (1.00)                                |                  |                   |                   | (1.00)        | (1.00)                                   |
| (1.00)                                |                  | 0.00              | 0.00              | (1.00)        | (1.00)                                   |
| 115,787.64                            |                  |                   |                   | 115,787.64    | 115,787.64                               |
| 115,787.64                            |                  | 0.00              | 0.00              | 115,787.64    | 115,787.64                               |
| 13,574.32                             |                  |                   |                   | 13,574.32     | 13,574.32                                |
| 13,574.32                             |                  | 0.00              | 0.00              | 13,574.32     | 13,574.32                                |
| 25,590,537.85                         |                  |                   |                   | 25,590,537.85 | 25,590,537.85                            |
| 25,590,537.85                         |                  | 0.00              | 0.00              | 25,590,537.85 | 25,590,537.85                            |

**TEXAS DEPARTMENT OF TRANSPORTATION**  
**SCHEDULE 1A-SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**  
Year Ended August 31, 2022

| Federal Grantor/<br>Pass-Through Grantor/<br>Program Title                   | Federal<br>CFDA<br>Number | Pass-Through From |                   |                   | Direct<br>Program<br>Amount |
|--|---------------------------|-------------------|-------------------|-------------------|-----------------------------|
|  |                           | Agency<br>Number  | State<br>Entities | Other<br>Entities |                             |
|  |                           | \$                | \$                | \$                |                             |
| <i>Other Clusters</i>  |                           |                   |                   |                   |                             |
| <i>Federal Transit Cluster:</i>  |                           |                   |                   |                   |                             |
| <i>Federal Transit Administration (FTA):</i>                                 |                           |                   |                   |                   |                             |
| Direct Program:  |                           |                   |                   |                   |                             |
| Bus and Bus Facilities Formula Program                                       | 20.526                    |                   |                   |                   | (41,709.91)                 |
| Pass-Through Funds to Other Entities:  |                           |                   |                   |                   |                             |
| Bus and Bus Facilities Formula Program                                       | 20.526                    |                   |                   |                   | 9,279,359.94                |
| Total FTA:   |                           | 0.00              | 0.00              |                   | 9,237,650.03                |
| <i>Transit Services Programs Cluster:</i>                                    |                           |                   |                   |                   |                             |
| <i>Federal Transit Administration (FTA):</i>                                 |                           |                   |                   |                   |                             |
| Direct Program:  |                           |                   |                   |                   |                             |
| Enhanced Mobility of Seniors and Individuals with<br>Disabilities            | 20.513                    |                   |                   |                   | 767,828.98                  |
| Job Access - Reverse Commute Program   | 20.516                    |                   |                   |                   | (31,165.31)                 |
| Pass-Through to Other Entities:  |                           |                   |                   |                   |                             |
| Enhanced Mobility of Seniors and Individuals with<br>Disabilities            | 20.513                    |                   |                   |                   | 3,838,818.69                |
| COVID-19 - Enhanced Mobility of Seniors and Individuals<br>with Disabilities | 20.513                    |                   |                   |                   | 2,277,407.40                |
| Total FTA:   |                           | 0.00              | 0.00              |                   | 6,852,889.76                |
| <i>Highway Planning and Construction Cluster:</i>                            |                           |                   |                   |                   |                             |
| <i>Federal Highway Administration (FHWA):</i>                                |                           |                   |                   |                   |                             |
| Direct Program:  |                           |                   |                   |                   |                             |
| Highway Planning and Construction  | 20.205                    |                   |                   |                   | 4,143,624,325.75            |
| COVID-19 - Highway Planning and Construction                                 | 20.205                    |                   |                   |                   | 112,634,208.69              |
| Federal Lands Access Program   | 20.224                    |                   |                   |                   | 551,730.10                  |
| Pass-Through Funds:  |                           |                   |                   |                   |                             |
| Highway Planning and Construction  |                           |                   |                   |                   |                             |
| Texas A&M Engineering Experiment Station                                     | 20.205                    |                   |                   |                   | 2,108,452.86                |
| Texas Southern University  | 20.205                    |                   |                   |                   | 89,591.70                   |
| University of Texas at El Paso   | 20.205                    |                   |                   |                   | (1,339.78)                  |
| University of Texas at San Antonio   | 20.205                    |                   |                   |                   | 84,150.90                   |
| Texas State University   | 20.205                    |                   |                   |                   | 5,208.37                    |
| Pass-Through to Other Entities   | 20.205                    |                   |                   |                   | 144,537,910.80              |
| Total FHWA:  |                           | 0.00              | 0.00              |                   | 4,403,634,239.39            |

| Through From<br>and Direct<br>Program | Agency<br>Number | Pass-Through To<br>State<br>Entities | Other<br>Entities | Expenditures     | Through To<br>and Expenditures<br>Amount |
|---------------------------------------|------------------|--------------------------------------|-------------------|------------------|--|
| \$                                    |                  | \$                                   | \$                | \$               | \$                                       |
| (41,709.91)                           |                  |                                      |                   | (41,709.91)      | (41,709.91)                              |
| 9,279,359.94                          |                  |                                      | 9,279,359.94      |                  | 9,279,359.94                             |
| 9,237,650.03                          |                  | 0.00                                 | 9,279,359.94      | (41,709.91)      | 9,237,650.03                             |
| 767,828.98                            |                  |                                      |                   | 767,828.98       | 767,828.98                               |
| (31,165.31)                           |                  |                                      |                   | (31,165.31)      | (31,165.31)                              |
| 3,838,818.69                          |                  |                                      | 3,838,818.69      |                  | 3,838,818.69                             |
| 2,277,407.40                          |                  |                                      | 2,277,407.40      |                  | 2,277,407.40                             |
| 6,852,889.76                          |                  | 0.00                                 | 6,116,226.09      | 736,663.67       | 6,852,889.76                             |
| 4,143,624,325.75                      |                  |                                      |                   | 4,143,624,325.75 | 4,143,624,325.75                         |
| 112,634,208.69                        |                  |                                      |                   | 112,634,208.69   | 112,634,208.69                           |
| 551,730.10                            |                  |                                      |                   | 551,730.10       | 551,730.10                               |
| 2,108,452.86                          | 712              | 2,108,452.86                         |                   |                  | 2,108,452.86                             |
| 89,591.70                             | 717              | 89,591.70                            |                   |                  | 89,591.70                                |
| (1,339.78)                            | 724              | (1,339.78)                           |                   |                  | (1,339.78)                               |
| 84,150.90                             | 743              | 84,150.90                            |                   |                  | 84,150.90                                |
| 5,208.37                              | 754              | 5,208.37                             |                   |                  | 5,208.37                                 |
| 144,537,910.80                        |                  |                                      | 144,537,910.80    |                  | 144,537,910.80                           |
| 4,403,634,239.39                      |                  | 2,286,064.05                         | 144,537,910.80    | 4,256,810,264.54 | 4,403,634,239.39                         |

**TEXAS DEPARTMENT OF TRANSPORTATION**  
**SCHEDULE 1A-SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Concluded)**

Year Ended August 31, 2022

| Federal Grantor/<br>Pass-Through Grantor/<br>Program Title | Federal<br>CFDA<br>Number | Pass-Through From |                   |                   | Direct<br>Program<br>Amount |
|--|---------------------------|-------------------|-------------------|-------------------|-----------------------------|
|  |                           | Agency<br>Number  | State<br>Entities | Other<br>Entities |                             |
|  |                           | \$                |                   | \$                | \$                          |
| <i>Highway Safety Cluster:</i>                             |                           |                   |                   |                   |                             |
| <i>National Highway Traffic Safety Admin. (NHTSA):</i>     |                           |                   |                   |                   |                             |
| Direct Program:  |                           |                   |                   |                   |                             |
| State and Community Highway Safety                         | 20.600                    |                   |                   |                   | 6,320,319.66                |
| National Priority Safety Programs                          | 20.616                    |                   |                   |                   | 8,723,218.21                |
| Pass-Through Funds:  |                           |                   |                   |                   |                             |
| State and Community Highway Safety                         |                           |                   |                   |                   |                             |
| Texas Department of Public Safety                          | 20.600                    |                   |                   |                   | 216,262.10                  |
| Texas Department of State Health Services                  | 20.600                    |                   |                   |                   | 314,243.07                  |
| Texas A&M AgriLife Extension Service                       | 20.600                    |                   |                   |                   | 2,598,846.92                |
| University of Texas at Arlington                           | 20.600                    |                   |                   |                   | 388,475.43                  |
| Texas A&M Engineering Extension Service                    | 20.600                    |                   |                   |                   | 192,728.38                  |
| University of Texas Medical Branch at Galveston            | 20.600                    |                   |                   |                   | 83,357.05                   |
| Texas A&M Transportation Institute                         | 20.600                    |                   |                   |                   | 3,683,664.52                |
| Texas State University                                     | 20.600                    |                   |                   |                   | 131,733.58                  |
| National Priority Safety Programs                          |                           |                   |                   |                   |                             |
| Texas Department of Public Safety                          | 20.616                    |                   |                   |                   | 1,162,184.56                |
| Texas Alcoholic Beverage Commission                        | 20.616                    |                   |                   |                   | 539,958.82                  |
| Texas Department of State Health Services                  | 20.616                    |                   |                   |                   | 711,656.35                  |
| Texas A&M Transportation Institute                         | 20.616                    |                   |                   |                   | 959,918.30                  |
| Pass-Through to Other Entities                             |                           |                   |                   |                   |                             |
| State and Community Highway Safety                         | 20.600                    |                   |                   |                   | 13,155,206.98               |
| National Priority Safety Programs                          | 20.616                    |                   |                   |                   | 6,998,011.66                |
| Total NHTSA:   |                           | 0.00              | 0.00              |                   | 46,179,785.59               |
| Total Other Clusters                                       |                           | 0.00              | 0.00              |                   | 4,465,904,564.77            |
| TOTAL FEDERAL ASSISTANCE                                   |                           | \$ 25,706,325.49  | \$ 0.00           | \$                | 4,610,867,086.64            |

| Total Pass-Through From and Direct Program | Pass-Through To |                  |                   | Expenditures        | Total Pass-Through To and Expenditures Amount |
|--|-----------------|------------------|-------------------|---------------------|---|
|  | Agency Number   | State Entities   | Other Entities    |                     |   |
| \$   | \$              | \$               | \$                | \$                  | \$  |
| 6,320,319.66                               |                 |                  |                   | 6,320,319.66        | 6,320,319.66                                  |
| 8,723,218.21                               |                 |                  |                   | 8,723,218.21        | 8,723,218.21                                  |
| 216,262.10                                 | 405             | 216,262.10       |                   |                     | 216,262.10                                    |
| 314,243.07                                 | 537             | 314,243.07       |                   |                     | 314,243.07                                    |
| 2,598,846.92                               | 555             | 2,598,846.92     |                   |                     | 2,598,846.92                                  |
| 388,475.43                                 | 714             | 388,475.43       |                   |                     | 388,475.43                                    |
| 192,728.38                                 | 716             | 192,728.38       |                   |                     | 192,728.38                                    |
| 83,357.05                                  | 723             | 83,357.05        |                   |                     | 83,357.05                                     |
| 3,683,664.52                               | 727             | 3,683,664.52     |                   |                     | 3,683,664.52                                  |
| 131,733.58                                 | 754             | 131,733.58       |                   |                     | 131,733.58                                    |
| 1,162,184.56                               | 405             | 1,162,184.56     |                   |                     | 1,162,184.56                                  |
| 539,958.82                                 | 458             | 539,958.82       |                   |                     | 539,958.82                                    |
| 711,656.35                                 | 537             | 711,656.35       |                   |                     | 711,656.35                                    |
| 959,918.30                                 | 727             | 959,918.30       |                   |                     | 959,918.30                                    |
| 13,155,206.98                              |                 |                  | 13,155,206.98     |                     | 13,155,206.98                                 |
| 6,998,011.66                               |                 |                  | 6,998,011.66      |                     | 6,998,011.66                                  |
| 46,179,785.59                              |                 | 10,983,029.08    | 20,153,218.64     | 15,043,537.87       | 46,179,785.59                                 |
| 4,465,904,564.77                           |                 | 13,269,093.13    | 180,086,715.47    | 4,272,548,756.17    | 4,465,904,564.77                              |
| \$ 4,636,573,412.13                        | \$              | \$ 13,269,093.13 | \$ 261,575,951.04 | \$ 4,361,728,367.96 | \$ 4,636,573,412.13                           |

**TEXAS DEPARTMENT OF TRANSPORTATION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the Fiscal Year Ended August 31, 2022

**Note 1 - Nonmonetary Assistance**

The "Donation of Federal Surplus Personal Property" is presented at 23.34% of the federal acquisition cost of \$496,091. The surplus property is passed through from the Texas Facilities Commission. The federal grantor agency is the General Services Administration (GSA) and the federal ALN number is 39.003. The estimated fair market value (FMV) for fiscal year 2022 is \$115,787.64. The difference of the value of the surplus property recorded on the federal schedule and Exhibit II (Federal Revenues and Federal Pass-Through Revenues) is a reconciling item under Note 2.

**Note 2 - Reconciliation**

Per Combined Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities - Governmental Funds:

|   |                           |
|---|---------------------------|
| Federal Revenues before Other Adjustments | \$4,668,094,411.98        |
| Federal Pass-Through Revenues             | 25,590,537.85             |
| Subtotal                                  | <u>\$4,693,684,949.83</u> |

Reconciling Items:

|   |                        |
|---|------------------------|
| Federal Surplus Personal Property Donation (Non-Monetary) | 115,787.64             |
| Build America Bonds Federal Subsidy                       | <u>(57,227,325.34)</u> |

|  |                                  |
|--|----------------------------------|
| Total Pass-Through and Expenditures per Federal Schedule | <u><u>\$4,636,573,412.13</u></u> |
|--|----------------------------------|

**Note 7 - Federal Deferred Inflow**

| ALN                    | Federal<br>Deferred Revenue<br>September 1, 2021 | Increase/(Decrease)     | Federal<br>Deferred Revenue<br>August 31, 2022 |
|------------------------|--|-------------------------|--|
| 20.106                 |  | \$236,053.40            | \$236,053.40                                   |
| 20.200                 |  | 1,305,273.78            | 1,305,273.78                                   |
| 20.205                 | 20,598,629.02                                    | (152,357.46)            | 20,446,271.56                                  |
| 20.301                 |  | 16,527.87               | 16,527.87                                      |
| 20.317                 |  | 19,212.86               | 19,212.86                                      |
| 20.509                 | 8,801,852.20                                     | (4,189,964.02)          | 4,611,888.18                                   |
| 20.513                 |  | 675,798.40              | 675,798.40                                     |
| 20.526                 |  | 242,268.00              | 242,268.00                                     |
| 20.528                 |  | 321,396.49              | 321,396.49                                     |
| 20.614                 |  | 19,394.90               | 19,394.90                                      |
| 66.040                 |  | 48,150.28               | 48,150.28                                      |
| Total Deferred Revenue | <u>\$29,400,481.22</u>                           | <u>(\$1,458,245.50)</u> | <u>\$27,942,235.72</u>                         |

The federal deferred inflow ending balance of \$27,942,235.72 pertains to federal expenditures which were incurred and are reimbursable from the Federal Aviation Administration, the Federal Highway Administration, the Federal Railroad Administration, the Federal Transit Administration, the National Highway Traffic Safety Administration and the Environmental Protection Agency, but the federal receivable is not collectable within 60 days after the end of the fiscal year.

**Note 8 - Disaster Grants - Public Assistance (CFDA 97.036)**

After a Presidentially-Declared Disaster, FEMA provides a Public Assistance Grant to reimburse eligible costs associated with repair, replacement, or restoration of disaster-damaged facilities. The federal government reimburses in the form of cost-shared grants which requires state matching funds. In fiscal 2022, FEMA approved \$25,590,537.85 eligible expenditures that were incurred in a prior year and are included in the fiscal 2022 Schedule.

**Note 10 - 10% de Minimis Indirect Cost Rate**

The Texas Department of Transportation did not elect to use the 10% de minimis indirect cost rate allowed under the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. The department does not currently bill any federal agency for indirect cost.

**TEXAS DEPARTMENT OF TRANSPORTATION**  
**SCHEDULE 1B-SCHEDULE OF STATE GRANT PASS-THROUGHS FROM/TO STATE AGENCIES**  
Year Ended August 31, 2022

| <u>Pass-Through From:</u>                         | <u>Grant ID</u> | <u>Amount</u>                  |
|---|-----------------|--------------------------------|
| Border Security                                   | 300.0028        |                                |
| Governor - Fiscal ( Agency 300)                   |                 | <u>\$ 24,995,896.12</u>        |
| Total Pass-Through From Other Agencies            |                 | <u><u>\$ 24,995,896.12</u></u> |
| <br>  |                 |                                |
| <u>Pass-Through To:</u>                           |                 |                                |
| Airport Routine Maintenance                       | 601.0029        |                                |
| Texas A&M University System ( Agency 710)         |                 | \$ 50,000.00                   |
| Airport Routine Maintenance                       | 601.0030        |                                |
| Texas State Technical College System (Agency 719) |                 | <u>\$ 48,000.00</u>            |
| Total Pass-Through To Other Agencies              |                 | <u><u>\$ 98,000.00</u></u>     |

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## **Schedule 2 - Bond Schedules**

**TEXAS DEPARTMENT OF TRANSPORTATION**  
**SCHEDULE 2A - MISCELLANEOUS BOND INFORMATION**

For the Fiscal Year Ended August 31, 2022

**Governmental Activities**

|  | Bonds Issued to Date        | Range of Interest Rates |         | Terms of Variable Interest Rates | Scheduled Maturities |           | First Call Date |
|--|-----------------------------|-------------------------|---------|----------------------------------|----------------------|-----------|-----------------|
|  |                             |                         |         |                                  | First Year           | Last Year |                 |
| <b>General Obligation Bonds:</b>                       |                             |                         |         |                                  |                      |           |                 |
| <b>Texas Mobility Fund (Self-Supporting)</b>           |                             |                         |         |                                  |                      |           |                 |
| Series 2006-B Variable Rate Bonds                      | \$ 150,000,000.00           | VAR                     | VAR     | Weekly                           | 2036                 | 2036      | **              |
| Series 2009-A Taxable Fixed Rate Bonds                 | 1,208,495,000.00            | 5.3670%                 | 5.5170% |                                  | 2029                 | 2039      | **              |
| Series 2014 Fixed Rate Refunding Bonds                 | 973,775,000.00              | 4.0000%                 | 5.0000% |                                  | 2016                 | 2034      | 4/1/2024        |
| Series 2014-A Fixed Rate Refunding Bonds               | 1,580,160,000.00            | 4.0000%                 | 5.0000% |                                  | 2017                 | 2044      | 10/1/2024       |
| Series 2014-B Put Bonds                                | 250,000,000.00              | 0.6540%                 | 0.6540% |                                  | 2040                 | 2041      | 10/1/2025       |
| Series 2015-A Fixed Rate Refunding Bonds               | 911,360,000.00              | 3.2000%                 | 5.0000% |                                  | 2018                 | 2036      | 10/1/2025       |
| Series 2015-B Fixed Rate Refunding Bonds               | 254,105,000.00              | 5.0000%                 | 5.0000% |                                  | 2031                 | 2036      | 10/1/2025       |
| Series 2017-A Fixed Rate Refunding Bonds               | 296,020,000.00              | 5.0000%                 | 5.0000% |                                  | 2030                 | 2034      | 10/1/2027       |
| Series 2017-B Fixed Rate Refunding Bonds               | 474,135,000.00              | 5.0000%                 | 5.0000% |                                  | 2029                 | 2036      | 10/1/2027       |
| Series 2020 Taxable Fixed Rate Refunding Bonds         | 1,270,690,000.00            | 0.2550%                 | 2.4720% |                                  | 2021                 | 2044      | **              |
| Total General Obligation Bonds (Self-Supporting)       | <u>7,368,740,000.00</u>     |                         |         |                                  |                      |           |                 |
| <b>Texas Highway Improvement (Non-Self-Supporting)</b> |                             |                         |         |                                  |                      |           |                 |
| Series 2010-A Taxable Fixed Rate Bonds                 | 815,420,000.00              | 3.2030%                 | 4.6810% |                                  | 2019                 | 2040      | **              |
| Series 2012-A Fixed Rate Bonds *                       | 818,635,000.00              | 5.0000%                 | 5.0000% |                                  | 2019                 | 2042      | 4/1/2022        |
| Series 2014 Fixed Rate Bonds                           | 1,260,000,000.00            | 2.0000%                 | 5.0000% |                                  | 2015                 | 2044      | 4/1/2024        |
| Series 2016 Fixed Rate Bonds                           | 615,000,000.00              | 5.0000%                 | 5.0000% |                                  | 2017                 | 2046      | 4/1/2026        |
| Series 2016-A Fixed Rate Bonds                         | 588,755,000.00              | 4.0000%                 | 5.0000% |                                  | 2018                 | 2046      | 4/1/2026        |
| Series 2019 Taxable Fixed Rate Refunding Bond          | 705,550,000.00              | 2.6040%                 | 4.0000% |                                  | 2021                 | 2044      | 4/1/2029        |
| Series 2020 Taxable Fixed Rate Refunding Bond          | 794,235,000.00              | 2.5620%                 | 5.0000% |                                  | 2022                 | 2042      | **              |
| Total General Obligation (Non-Self-Supporting)         | <u>5,597,595,000.00</u>     |                         |         |                                  |                      |           |                 |
| <b>Revenue Bonds:</b>                                  |                             |                         |         |                                  |                      |           |                 |
| <b>State Highway Fund (Self-Supporting)</b>            |                             |                         |         |                                  |                      |           |                 |
| Series 2008 Fixed Rate Bonds                           | 162,995,000.00              | 3.5000%                 | 5.2500% |                                  | 2010                 | 2028      | 4/1/2018        |
| Series 2010 Taxable Fixed Rate Bonds                   | 1,500,000,000.00            | 5.0280%                 | 5.1780% |                                  | 2026                 | 2030      | **              |
| Series 2014-A Refunding Fixed Rate Bonds               | 1,157,795,000.00            | 4.7500%                 | 5.0000% |                                  | 2017                 | 2034      | 4/1/2024        |
| Series 2014-B Variable Rate Bonds                      | 300,000,000.00              | VAR                     | VAR     | Weekly                           | 2032                 | 2032      | **              |
| Series 2015 Revenue Refunding Bonds                    | 781,080,000.00              | 3.0000%                 | 5.0000% |                                  | 2017                 | 2026      | n/a             |
| Series 2016-A Fixed Rate Bonds                         | 601,210,000.00              | 3.0000%                 | 5.0000% |                                  | 2017                 | 2030      | 10/1/2026       |
| Series 2016-B Fixed Rate Bonds                         | 89,370,000.00               | 0.4300%                 | 0.5600% |                                  | 2025                 | 2026      | n/a             |
| Series 2020 Taxable Fixed Rate Refunding Bonds         | 341,425,000.00              | 4.0000%                 | 4.0000% |                                  | 2030                 | 2033      | **              |
| Total Revenue Bonds (Self-Supporting)                  | <u>4,933,875,000.00</u>     |                         |         |                                  |                      |           |                 |
| <b>Total Governmental Activities</b>                   | <u>\$ 17,900,210,000.00</u> |                         |         |                                  |                      |           |                 |

\* These bonds are not outstanding as of 08/31/2022

\*\* Bonds are subject to redemption prior to their respective maturities at the option of the Commission.

**TEXAS DEPARTMENT OF TRANSPORTATION**  
**SCHEDULE 2A - MISCELLANEOUS BOND INFORMATION (Concluded)**

For the Fiscal Year Ended August 31, 2022

**Business-Type Activities**

|  |                            | Range of Interest Rates |         | Terms of Variable Interest Rates | Scheduled Maturities |           | First Call Date |
|--|----------------------------|-------------------------|---------|----------------------------------|----------------------|-----------|-----------------|
|  | Bonds Issued to Date       |                         |         |                                  | First Year           | Last Year |                 |
| <b>Revenue Bonds:</b>  |                            |                         |         |                                  |                      |           |                 |
| <b>Central Texas Turnpike System (Self-Supporting)</b>                     |                            |                         |         |                                  |                      |           |                 |
| First Tier Revenue Bonds Series 2002-A                                     |                            |                         |         |                                  |                      |           |                 |
| Non-Callable Capital Appreciation Bonds***                                 | \$ 765,139,134.72          | 4.4700%                 | 5.7500% |                                  | 2012                 | 2030      | n/a             |
| Callable Capital Appreciation Bonds*                                       | 325,494,476.65             | 6.0000%                 | 6.1000% |                                  | 2025                 | 2038      | 8/15/2012       |
| First Tier Revenue Refunding Bonds Series 2012-A                           | 585,330,000.00             | 4.0000%                 | 5.0000% |                                  | 2038                 | 2041      | 8/15/2022       |
| First Tier Revenue Refunding Bonds Series 2015-B                           |                            |                         |         |                                  |                      |           |                 |
| Current Interest Bonds + Term Bond   | 198,025,000.00             | 5.0000%                 | 5.0000% |                                  | 2032                 | 2037      | 8/15/2024       |
| Capital Appreciation Bonds ***   | 128,503,866.66             | 4.3600%                 | 4.3800% |                                  | 2036                 | 2037      | 8/15/2024       |
| Second Tier Revenue Refunding Bonds, Series 2015-C                         | 1,157,320,000.00           | 5.0000%                 | 5.0000% |                                  | 2022                 | 2042      | 8/15/2024       |
| First Tier Revenue Refunding Bonds Series 2020-A                           | 179,475,000.00             | 3.0000%                 | 5.0000% |                                  | 2039                 | 2040      | 8/15/2030       |
| First Tier Revenue Refunding Variable Rate Bonds Series 2020-B             | 225,000,000.00             | VAR                     | VAR     | Daily                            | 2042                 | 2042      | **              |
| First Tier Revenue Refunding Bonds Taxable Series 2020-C                   | 279,305,000.00             | 3.0290%                 | 3.0290% |                                  | 2031                 | 2041      | 8/15/2030       |
| Total Central Texas Turnpike System (Self-Supporting)                      | <u>3,843,592,478.03</u>    |                         |         |                                  |                      |           |                 |
| <b>Blended Component Unit-Grand Parkway Transportation Corporation****</b> |                            |                         |         |                                  |                      |           |                 |
| First Tier Toll Revenue Bonds, Series 2013-A                               | 200,000,000.00             | 5.1250%                 | 5.5000% |                                  | 2031                 | 2053      | 10/1/2023       |
| Subordinate Tier Toll Revenue Bonds, Series 2013-B                         |                            |                         |         |                                  |                      |           |                 |
| Convertible Capital Appreciation Bonds***                                  | 460,412,488.42             | 4.9500%                 | 5.8500% |                                  | 2029                 | 2048      | 10/1/2028       |
| Current Interest Bonds*  | 1,137,935,000.00           | 5.0000%                 | 5.2500% |                                  | 2048                 | 2053      | 10/1/2023       |
| Subordinate Tier Toll Revenue Bonds, Series 2013-E                         | 361,810,000.00             | 5.1840%                 | 5.1840% |                                  | 2036                 | 2042      | **              |
| Subordinate Tier Toll Revenue Refunding Bonds, Series 2016                 | 83,775,000.00              | 2.2000%                 | 2.2000% |                                  | 2023                 | 2023      | n/a             |
| Subordinate Tier Toll Revenue Bonds, Series 2018-A                         | 712,100,000.00             | 5.0000%                 | 5.0000% |                                  | 2030                 | 2048      | 4/1/2028        |
| Subordinate Tier Toll Revenue Put Bonds, Series 2018-B                     | 166,525,000.00             | 5.0000%                 | 5.0000% |                                  | 2049                 | 2052      | 10/1/2023       |
| First Tier Toll Revenue Refunding Bonds, Taxable Series 2020-A             | 220,415,000.00             | 2.1050%                 | 3.3560% |                                  | 2026                 | 2052      | 4/1/2030        |
| Subordinate Tier Toll Revenue Refunding Bonds, Taxable Series              | 1,293,260,000.00           | 1.5310%                 | 3.2360% |                                  | 2020                 | 2052      | 4/1/2030        |
| First Tier Toll Revenue Refunding Bonds, Series 2020-C                     | 793,385,000.00             | 3.0000%                 | 5.0000% |                                  | 2033                 | 2050      | n/a             |
| Total Blended Component Unit-Grand Parkway Transportation Corporation      | <u>5,429,617,488.42</u>    |                         |         |                                  |                      |           |                 |
| <b>State Highway 249 System</b>  |                            |                         |         |                                  |                      |           |                 |
| First Tier Toll Revenue Bonds, Series 2019-A                               |                            |                         |         |                                  |                      |           |                 |
| Current Interest Bonds   | 144,085,000.00             | 5.0000%                 | 5.0000% |                                  | 2053                 | 2057      | 2/1/2029        |
| Capital Appreciation Bonds***  | 109,215,905.41             | 3.3900%                 | 5.1000% |                                  | 2028                 | 2053      | 2/1/2029        |
| First Tier Toll Revenue Bonds, Taxable Series 2019-B                       | 12,795,000.00              | 4.5500%                 | 4.7000% |                                  | 2030                 | 2033      | 2/1/2029        |
| Total State Highway 249 System   | <u>266,095,905.41</u>      |                         |         |                                  |                      |           |                 |
| <b>Total Business-Type Activities</b>                                      | <u>\$ 9,539,305,871.86</u> |                         |         |                                  |                      |           |                 |

\* These bonds are not outstanding as of 08/31/2022

\*\* Bonds are subject to redemption prior to their respective maturities at the option of the Corporation or the Commission

\*\*\*Bonds issued to date include interest accreted to principal.

\*\*\*\*Grand Parkway Transportation Corporation bonds are not obligations of the State.

**TEXAS DEPARTMENT OF TRANSPORTATION**  
**SCHEDULE 2B - CHANGES IN BONDED INDEBTEDNESS**

For the Fiscal Year Ended August 31, 2022

**Governmental Activities**

| Description of Issue                 | Bonds Outstanding<br>9/1/2021 | Bonds Issued   | Bonds Matured or Retired | Bonds Outstanding<br>8/31/2022 |
|--------------------------------------|-------------------------------|----------------|--------------------------|--------------------------------|
| <b>General Obligation Bonds:</b>     |                               |                |                          |                                |
| <b>Texas Mobility Fund</b>           |                               |                |                          |                                |
| Series 2006-B                        | \$ 150,000,000.00             | \$             | \$                       | \$ 150,000,000.00              |
| Series 2009-A                        | 1,207,345,000.00              |                | 2,095,000.00             | 1,205,250,000.00               |
| Series 2014                          | 433,315,000.00                |                | 44,240,000.00            | 389,075,000.00                 |
| Series 2014-A                        | 756,400,000.00                |                | 48,770,000.00            | 707,630,000.00                 |
| Series 2014-B                        | 250,000,000.00                |                |                          | 250,000,000.00                 |
| Series 2015-A                        | 851,190,000.00                |                | 23,775,000.00            | 827,415,000.00                 |
| Series 2015-B                        | 254,105,000.00                |                |                          | 254,105,000.00                 |
| Series 2017-A                        | 296,020,000.00                |                |                          | 296,020,000.00                 |
| Series 2017-B                        | 474,135,000.00                |                |                          | 474,135,000.00                 |
| Series 2020                          | 1,270,690,000.00              |                | 22,830,000.00            | 1,247,860,000.00               |
| <b>Texas Highway Improvement</b>     |                               |                |                          |                                |
| Series 2010-A                        | 730,480,000.00                |                | 29,580,000.00            | 700,900,000.00                 |
| Series 2012-A                        | 21,495,000.00                 |                | 21,495,000.00            | -                              |
| Series 2014                          | 210,000,000.00                |                | 42,000,000.00            | 168,000,000.00                 |
| Series 2016                          | 512,500,000.00                |                | 20,500,000.00            | 492,000,000.00                 |
| Series 2016-A                        | 507,535,000.00                |                | 20,305,000.00            | 487,230,000.00                 |
| Series 2019                          | 702,310,000.00                |                | 3,370,000.00             | 698,940,000.00                 |
| Series 2020                          | 794,235,000.00                |                | 505,000.00               | 793,730,000.00                 |
| Total General Obligation Bonds       | <u>9,421,755,000.00</u>       | <u>0.00</u>    | <u>279,465,000.00</u>    | <u>9,142,290,000.00</u>        |
| <b>Revenue Bonds:</b>                |                               |                |                          |                                |
| <b>State Highway Fund</b>            |                               |                |                          |                                |
| Series 2008                          | 58,355,000.00                 |                |                          | 58,355,000.00                  |
| Series 2010                          | 1,500,000,000.00              |                |                          | 1,500,000,000.00               |
| Series 2014-A                        | 370,675,000.00                |                | 98,935,000.00            | 271,740,000.00                 |
| Series 2014-B                        | 300,000,000.00                |                |                          | 300,000,000.00                 |
| Series 2015                          | 494,355,000.00                |                | 82,910,000.00            | 411,445,000.00                 |
| Series 2016-A                        | 320,230,000.00                |                | 78,635,000.00            | 241,595,000.00                 |
| Series 2016-B                        | 89,370,000.00                 |                |                          | 89,370,000.00                  |
| Series 2020                          | 341,425,000.00                |                |                          | 341,425,000.00                 |
| Total Revenue Bonds                  | <u>3,474,410,000.00</u>       | <u>0.00</u>    | <u>260,480,000.00</u>    | <u>3,213,930,000.00</u>        |
| <b>Total Governmental Activities</b> | <u>\$ 12,896,165,000.00</u>   | <u>\$ 0.00</u> | <u>\$ 539,945,000.00</u> | <u>\$ 12,356,220,000.00</u>    |

**TEXAS DEPARTMENT OF TRANSPORTATION**  
**SCHEDULE 2B - CHANGES IN BONDED INDEBTEDNESS (Continued)**  
For the Fiscal Year Ended August 31, 2022

**Governmental Activities**

| Description of Issue                 | Unamortized<br>Premium   | Unamortized<br>Discount | Net Bonds<br>Outstanding<br>8/31/2022 | Amounts Due<br>Within One<br>Year |
|--------------------------------------|--------------------------|-------------------------|---------------------------------------|-----------------------------------|
| <b>General Obligation Bonds:</b>     |                          |                         |                                       |                                   |
| <b>Texas Mobility Fund</b>           |                          |                         |                                       |                                   |
| Series 2006-B                        | \$                       | \$                      | \$ 150,000,000.00                     | \$                                |
| Series 2009-A                        |                          |                         | 1,205,250,000.00                      | 3,555,000.00                      |
| Series 2014                          | 31,269,855.22            |                         | 420,344,855.22                        | 53,541,137.69                     |
| Series 2014-A                        | 74,744,406.95            |                         | 782,374,406.95                        | 64,971,225.99                     |
| Series 2014-B                        |                          |                         | 250,000,000.00                        |                                   |
| Series 2015-A                        | 72,841,211.39            |                         | 900,256,211.39                        | 33,782,945.91                     |
| Series 2015-B                        | 26,850,371.68            |                         | 280,955,371.68                        | 1,985,728.36                      |
| Series 2017-A                        | 36,645,090.47            |                         | 332,665,090.47                        | 3,153,629.03                      |
| Series 2017-B                        | 58,848,875.20            |                         | 532,983,875.20                        | 4,894,120.60                      |
| Series 2020                          |                          |                         | 1,247,860,000.00                      | 22,900,000.00                     |
| <b>Texas Highway Improvement</b>     |                          |                         |                                       |                                   |
| Series 2010-A                        |                          |                         | 700,900,000.00                        | 30,290,000.00                     |
| Series 2012-A                        |                          |                         |                                       |                                   |
| Series 2014                          | 8,710,997.33             |                         | 176,710,997.33                        | 45,484,398.93                     |
| Series 2016                          | 80,462,127.27            |                         | 572,462,127.27                        | 26,936,970.18                     |
| Series 2016-A                        | 71,747,292.20            |                         | 558,977,292.20                        | 26,045,037.84                     |
| Series 2019                          | 3,979,074.21             |                         | 702,919,074.21                        | 3,788,581.14                      |
| Series 2020                          | 99,060,550.67            |                         | 892,790,550.67                        | 32,206,071.54                     |
| Total General Obligation Bonds       | <u>565,159,852.59</u>    | <u>0.00</u>             | <u>9,707,449,852.59</u>               | <u>353,534,847.21</u>             |
| <b>Revenue Bonds:</b>                |                          |                         |                                       |                                   |
| <b>State Highway Fund</b>            |                          |                         |                                       |                                   |
| Series 2008                          | 1,321,572.55             |                         | 59,676,572.55                         | 322,167.13                        |
| Series 2010                          |                          |                         | 1,500,000,000.00                      | 70,495,000.00                     |
| Series 2014-A                        | 15,886,469.06            |                         | 287,626,469.06                        | 112,547,043.23                    |
| Series 2014-B                        |                          |                         | 300,000,000.00                        |                                   |
| Series 2015                          | 23,436,960.19            |                         | 434,881,960.19                        | 95,304,630.36                     |
| Series 2016-A                        | 29,434,208.10            |                         | 271,029,208.10                        | 15,545,907.23                     |
| Series 2016-B                        | 4,257,337.38             |                         | 93,627,337.38                         | 1,129,082.57                      |
| Series 2020                          | 64,555,544.25            |                         | 405,980,544.25                        | 5,657,977.25                      |
| Total Revenue Bonds                  | <u>138,892,091.53</u>    | <u>0.00</u>             | <u>3,352,822,091.53</u>               | <u>301,001,807.77</u>             |
| <b>Total Governmental Activities</b> | <u>\$ 704,051,944.12</u> | <u>\$ 0.00</u>          | <u>\$ 13,060,271,944.12</u>           | <u>\$ 654,536,654.98</u>          |

**TEXAS DEPARTMENT OF TRANSPORTATION**  
**SCHEDULE 2B - CHANGES IN BONDED INDEBTEDNESS (Continued)**  
For the Fiscal Year Ended August 31, 2022

**Business-Type Activities**

| Description of Issue   | Bonds Outstanding<br>9/1/2021 | Bonds Issued            | Bonds Matured or Retired | Bonds Outstanding<br>8/31/2022 |
|--|-------------------------------|-------------------------|--------------------------|--------------------------------|
| <b>Revenue Bonds:</b>  |                               |                         |                          |                                |
| <b>Central Texas Turnpike System</b>                               |                               |                         |                          |                                |
| First Tier Bonds Series 2002-A, Non-Callable CAB's                 | \$ 483,403,771.71             | \$ 27,871,760.46 **     | \$ 43,150,000.00         | \$ 468,125,532.17              |
| First Tier Bonds Series 2012-A                                     | 123,235,000.00                |                         |                          | 123,235,000.00                 |
| First Tier Bonds Series 2015-B:                                    |                               |                         |                          |                                |
| Current Interest Bonds   | 198,025,000.00                |                         |                          | 198,025,000.00                 |
| Capital Appreciation Bonds   | 123,067,013.33                | 5,436,853.33 **         |                          | 128,503,866.66                 |
| Second Tier Bonds Series 2015-C                                    | 1,157,320,000.00              |                         | 2,200,000.00             | 1,155,120,000.00               |
| First Tier Revenue Refunding Bonds Series 2020-A                   | 179,475,000.00                |                         |                          | 179,475,000.00                 |
| First Tier Revenue Refunding Bonds Series 2020-B                   | 225,000,000.00                |                         |                          | 225,000,000.00                 |
| First Tier Revenue Refunding Bonds Taxable Series 2020-C           | 279,305,000.00                |                         |                          | 279,305,000.00                 |
| <b>Blended Component Unit-Grand Parkway Transportation Corp.*:</b> |                               |                         |                          |                                |
| First Tier Toll Revenue Bonds, Series 2013-A                       | 47,730,000.00                 |                         |                          | 47,730,000.00                  |
| Subordinate Tier Toll Revenue Bonds, Series 2013-B:                |                               |                         |                          |                                |
| Callable CAB   | 435,360,244.82                | 25,052,243.60 **        |                          | 460,412,488.42                 |
| Subordinate Tier Toll Revenue Bonds, Series 2013-E                 | 361,810,000.00                |                         |                          | 361,810,000.00                 |
| Subordinate Tier Toll Revenue Refunding Bonds, Series 2016         | 83,775,000.00                 |                         |                          | 83,775,000.00                  |
| Subordinate Tier Toll Revenue Bonds, Series 2018-A                 | 712,100,000.00                |                         |                          | 712,100,000.00                 |
| Subordinate Tier Toll Revenue Put Bonds, Series 2018-B             | 166,525,000.00                |                         |                          | 166,525,000.00                 |
| First Tier Refunding Bonds Taxable Series 2020-A                   | 220,415,000.00                |                         |                          | 220,415,000.00                 |
| Subordinate Tier Refunding Bonds Taxable Series 2020-B             | 1,278,825,000.00              |                         | 18,485,000.00            | 1,260,340,000.00               |
| First Tier Refunding Bonds Series 2020-C                           | 793,385,000.00                |                         |                          | 793,385,000.00                 |
| <b>State Highway 249 System</b>                                    |                               |                         |                          |                                |
| First Tier Toll Revenue Bonds Series 2019-A:                       |                               |                         |                          |                                |
| Current Interest Bonds   | 144,085,000.00                |                         |                          | 144,085,000.00                 |
| Capital Appreciation Bonds   | 104,132,362.31                | 5,083,543.10 **         |                          | 109,215,905.41                 |
| First Tier Toll Revenue Bond Taxable Series 2019-B:                | 12,795,000.00                 |                         |                          | 12,795,000.00                  |
| <b>Total Business-Type Activities</b>                              | <b>\$ 7,129,768,392.17</b>    | <b>\$ 63,444,400.49</b> | <b>\$ 63,835,000.00</b>  | <b>\$ 7,129,377,792.66</b>     |

\*Grand Parkway Transportation Corporation debt issuances are not obligations of the State

\*\*Due to annual principal accretion.

**TEXAS DEPARTMENT OF TRANSPORTATION**  
**SCHEDULE 2B - CHANGES IN BONDED INDEBTEDNESS (Concluded)**  
For the Fiscal Year Ended August 31, 2022

**Business-Type Activities**

| Description of Issue   | Unamortized<br>Premium   | Unamortized<br>Discount | Net Bonds<br>Outstanding<br>8/31/2022 | Amounts Due<br>Within One<br>Year |
|--|--------------------------|-------------------------|---------------------------------------|-----------------------------------|
| <b>Revenue Bonds:</b>  |                          |                         |                                       |                                   |
| <b>Central Texas Turnpike System</b>                               |                          |                         |                                       |                                   |
| First Tier Bonds Series 2002-A, Non-Callable CAB's                 | \$                       | \$                      | \$ 468,125,532.17                     | \$ 48,940,000.00                  |
| First Tier Bonds Series 2012-A                                     | 6,789,161.28             |                         | 130,024,161.28                        | 424,322.58                        |
| First Tier Bonds Series 2015-B:                                    |                          |                         |                                       |                                   |
| Current Interest Bonds   | 18,416,440.62            |                         | 216,441,440.62                        | 1,465,537.11                      |
| Capital Appreciation Bonds   |                          |                         | 128,503,866.66                        |                                   |
| Second Tier Bonds Series 2015-C                                    | 90,730,307.96            |                         | 1,245,850,307.96                      | 12,847,123.65                     |
| First Tier Revenue Refunding Bonds Series 2020-A                   | 35,294,704.69            |                         | 214,769,704.69                        | 2,042,684.27                      |
| First Tier Revenue Refunding Bonds Series 2020-B                   |                          |                         | 225,000,000.00                        |                                   |
| First Tier Revenue Refunding Bonds Taxable Series 2020-C           |                          |                         | 279,305,000.00                        |                                   |
| <b>Blended Component Unit-Grand Parkway Transportation Corp.*:</b> |                          |                         |                                       |                                   |
| First Tier Toll Revenue Bonds, Series 2013-A                       |                          | (514,802.41)            | 47,215,197.59                         | (27,923.61)                       |
| Subordinate Tier Toll Revenue Bonds, Series 2013-B:                |                          |                         |                                       |                                   |
| Callable CAB   |                          |                         | 460,412,488.42                        |                                   |
| Subordinate Tier Toll Revenue Bonds, Series 2013-E                 |                          |                         | 361,810,000.00                        |                                   |
| Subordinate Tier Toll Revenue Refunding Bonds, Series 2016         |                          |                         | 83,775,000.00                         |                                   |
| Subordinate Tier Toll Revenue Bonds, Series 2018-A                 | 78,323,285.70            |                         | 790,423,285.70                        | 3,956,112.92                      |
| Subordinate Tier Toll Revenue Put Bonds, Series 2018-B             | 17,597,116.25            |                         | 184,122,116.25                        | 596,741.70                        |
| First Tier Refunding Bonds Taxable Series 2020-A                   |                          |                         | 220,415,000.00                        |                                   |
| Subordinate Tier Refunding Bonds Taxable Series 2020-B             |                          |                         | 1,260,340,000.00                      | 18,780,000.00                     |
| First Tier Refunding Bonds Series 2020-C                           | 97,916,099.24            |                         | 891,301,099.24                        | 3,883,635.87                      |
| <b>State Highway 249 System</b>                                    |                          |                         |                                       |                                   |
| First Tier Toll Revenue Bonds Series 2019-A:                       |                          |                         |                                       |                                   |
| Current Interest Bonds   | 10,447,396.70            |                         | 154,532,396.70                        | 315,237.60                        |
| Capital Appreciation Bonds   |                          |                         | 109,215,905.41                        |                                   |
| First Tier Toll Revenue Bond Taxable Series 2019-B:                |                          |                         | 12,795,000.00                         |                                   |
| <b>Total Business-Type Activities</b>                              | <b>\$ 355,514,512.44</b> | <b>\$ (514,802.41)</b>  | <b>\$ 7,484,377,502.69</b>            | <b>\$ 93,223,472.09</b>           |

\*Grand Parkway Transportation Corporation debt issuances are not obligations of the State.

**TEXAS DEPARTMENT OF TRANSPORTATION**  
**SCHEDULE 2C - DEBT SERVICE REQUIREMENTS**  
For the Fiscal Year Ended August 31, 2022

**Governmental Activities**

| Description of Issue                | Year      | Principal               | Interest                |
|-------------------------------------|-----------|-------------------------|-------------------------|
| <b>TMF General Obligation Bonds</b> |           |                         |                         |
| Series 2006-B                       | 2023      | \$                      | \$ 5,250,000.00         |
|                                     | 2024      |                         | 5,254,794.52            |
|                                     | 2025      |                         | 5,245,205.48            |
|                                     | 2026      |                         | 5,250,000.00            |
|                                     | 2027      |                         | 5,250,000.00            |
|                                     | 2028-2032 |                         | 26,254,794.52           |
|                                     | 2033-2037 | 150,000,000.00          | 18,107,744.81           |
|                                     |           | <u>150,000,000.00</u>   | <u>70,612,539.33</u>    |
| Series 2009-A                       | 2023      | 3,555,000.00            | 66,408,510.00           |
|                                     | 2024      | 4,470,000.00            | 66,217,713.16           |
|                                     | 2025      | 6,100,000.00            | 65,977,808.26           |
|                                     | 2026      | 7,865,000.00            | 65,650,421.26           |
|                                     | 2027      | 9,755,000.00            | 65,228,306.70           |
|                                     | 2028-2032 | 78,870,000.00           | 316,168,252.84          |
|                                     | 2033-2037 | 146,180,000.00          | 287,642,587.52          |
|                                     | 2038-2042 | 948,455,000.00          | 79,190,190.46           |
|                                     |           | <u>1,205,250,000.00</u> | <u>1,012,483,790.20</u> |
| Series 2014                         | 2023      | 47,710,000.00           | 17,193,800.00           |
|                                     | 2024      | 51,445,000.00           | 14,714,925.00           |
|                                     | 2025      | 55,360,000.00           | 12,044,800.00           |
|                                     | 2026      | 59,455,000.00           | 9,174,425.00            |
|                                     | 2027      |                         | 7,688,050.00            |
|                                     | 2028-2032 | 120,675,000.00          | 22,007,825.00           |
|                                     | 2033-2037 | 54,430,000.00           | 1,088,600.00            |
|                                     |           | <u>389,075,000.00</u>   | <u>83,912,425.00</u>    |
|                                     |           | \$                      | \$                      |



**TEXAS DEPARTMENT OF TRANSPORTATION**  
**SCHEDULE 2C - DEBT SERVICE REQUIREMENTS (Continued)**  
For the Fiscal Year Ended August 31, 2022

| Description of Issue                            | Year      | Principal                | Interest                 |
|---|-----------|--------------------------|--------------------------|
| <b>TMF General Obligation Bonds (continued)</b> |           |                          |                          |
| Series 2014-A                                   | 2023      | \$ 55,750,000.00         | \$ 31,533,800.00         |
|   | 2024      | 63,115,000.00            | 28,562,175.00            |
|   | 2025      | 70,945,000.00            | 25,210,675.00            |
|   | 2026      | 79,240,000.00            | 21,456,050.00            |
|   | 2027      | 88,000,000.00            | 17,275,050.00            |
|   | 2028-2032 | 139,380,000.00           | 54,656,225.00            |
|   | 2033-2037 | 111,200,000.00           | 26,790,600.00            |
|   | 2038-2042 |                          | 20,000,000.00            |
|   | 2043-2047 | 100,000,000.00           | 6,040,000.00             |
|   |           | <u>707,630,000.00</u>    | <u>231,524,575.00</u>    |
| Series 2014-B                                   | 2023      |                          | 1,625,000.00             |
|   | 2024      |                          | 1,625,000.00             |
|   | 2025      |                          | 1,625,000.00             |
|   | 2026      |                          | 1,625,000.00             |
|   | 2027      |                          | 8,750,000.00             |
|   | 2028-2032 |                          | 43,750,000.00            |
|   | 2033-2037 |                          | 43,750,000.00            |
|   | 2038-2042 | 250,000,000.00           | 34,419,875.00            |
|   |           | <u>250,000,000.00</u>    | <u>137,169,875.00</u>    |
| Series 2015-A                                   | 2023      | 25,805,000.00            | 38,477,725.00            |
|   | 2024      | 28,575,000.00            | 37,118,225.00            |
|   | 2025      | 30,875,000.00            | 35,631,975.00            |
|   | 2026      | 33,300,000.00            | 34,027,600.00            |
|   | 2027      | 35,855,000.00            | 32,298,725.00            |
|   | 2028-2032 | 349,160,000.00           | 110,996,250.00           |
|   | 2033-2037 | 323,845,000.00           | 48,616,475.00            |
|   |           | <u>\$ 827,415,000.00</u> | <u>\$ 337,166,975.00</u> |

**TEXAS DEPARTMENT OF TRANSPORTATION**  
**SCHEDULE 2C - DEBT SERVICE REQUIREMENTS (Continued)**  
For the Fiscal Year Ended August 31, 2022

| Description of Issue                            | Year      | Principal                | Interest                 |
|---|-----------|--------------------------|--------------------------|
| <b>TMF General Obligation Bonds (continued)</b> |           |                          |                          |
| Series 2015-B                                   | 2023      | \$                       | \$ 12,705,250.00         |
|   | 2024      |                          | 12,705,250.00            |
|   | 2025      |                          | 12,705,250.00            |
|   | 2026      |                          | 12,705,250.00            |
|   | 2027      |                          | 12,705,250.00            |
|   | 2028-2032 | 25,270,000.00            | 62,894,500.00            |
|   | 2033-2037 | 228,835,000.00           | 39,022,875.00            |
|   |           | <u>254,105,000.00</u>    | <u>165,443,625.00</u>    |
| Series 2017-A                                   | 2023      |                          | 14,801,000.00            |
|   | 2024      |                          | 14,801,000.00            |
|   | 2025      |                          | 14,801,000.00            |
|   | 2026      |                          | 14,801,000.00            |
|   | 2027      |                          | 14,801,000.00            |
|   | 2028-2032 | 61,890,000.00            | 70,978,500.00            |
|   | 2033-2037 | 234,130,000.00           | 19,603,250.00            |
|   |           | <u>296,020,000.00</u>    | <u>164,586,750.00</u>    |
| Series 2017-B                                   | 2023      |                          | 23,706,750.00            |
|   | 2024      |                          | 23,706,750.00            |
|   | 2025      |                          | 23,706,750.00            |
|   | 2026      |                          | 23,706,750.00            |
|   | 2027      |                          | 23,706,750.00            |
|   | 2028-2032 | 138,520,000.00           | 109,031,000.00           |
|   | 2033-2037 | 335,615,000.00           | 45,641,375.00            |
|   |           | <u>\$ 474,135,000.00</u> | <u>\$ 273,206,125.00</u> |

**TEXAS DEPARTMENT OF TRANSPORTATION**  
**SCHEDULE 2C - DEBT SERVICE REQUIREMENTS (Continued)**  
For the Fiscal Year Ended August 31, 2022

| Description of Issue                                      | Year      | Principal                | Interest                |
|---|-----------|--------------------------|-------------------------|
| <b>TMF General Obligation Bonds (concluded)</b>           |           |                          |                         |
| Series 2020   | 2023      | \$ 22,900,000.00         | \$ 23,997,658.18        |
|   | 2024      | 22,985,000.00            | 23,912,181.43           |
|   | 2025      | 23,100,000.00            | 23,793,798.68           |
|   | 2026      | 23,260,000.00            | 23,636,822.08           |
|   | 2027      |                          | 23,551,108.98           |
|   | 2028-2032 | 398,020,000.00           | 104,255,242.12          |
|   | 2033-2037 | 182,050,000.00           | 78,591,228.09           |
|   | 2038-2042 | 201,070,000.00           | 60,289,608.92           |
|   | 2043-2047 | 374,475,000.00           | 14,079,214.20           |
|   |           | <u>1,247,860,000.00</u>  | <u>376,106,862.68</u>   |
| <b>Texas Highway Improvement General Obligation Bonds</b> |           |                          |                         |
| Series 2010-A   | 2023      | 30,290,000.00            | 31,889,586.90           |
|   | 2024      | 31,040,000.00            | 30,731,600.20           |
|   | 2025      | 31,845,000.00            | 29,498,381.00           |
|   | 2026      | 32,695,000.00            | 28,185,411.66           |
|   | 2027      | 33,605,000.00            | 26,788,354.30           |
|   | 2028-2032 | 183,835,000.00           | 109,639,441.28          |
|   | 2033-2037 | 213,350,000.00           | 64,297,562.16           |
|   | 2038-2042 | 144,240,000.00           | 13,638,795.66           |
|   |           | <u>700,900,000.00</u>    | <u>334,669,133.16</u>   |
| Series 2014   | 2023      | 42,000,000.00            | 8,400,000.00            |
|   | 2024      | 42,000,000.00            | 6,300,000.00            |
|   | 2025      | 42,000,000.00            | 4,200,000.00            |
|   | 2026      | 42,000,000.00            | 2,100,000.00            |
|   |           | <u>\$ 168,000,000.00</u> | <u>\$ 21,000,000.00</u> |

**TEXAS DEPARTMENT OF TRANSPORTATION**  
**SCHEDULE 2C - DEBT SERVICE REQUIREMENTS (Continued)**  
For the Fiscal Year Ended August 31, 2022

| Description of Issue  | Year      | Principal                | Interest                 |
|---|-----------|--------------------------|--------------------------|
| <b>Texas Highway Improvement General Obligation Bonds (continued)</b> |           |                          |                          |
| Series 2016   | 2023      | \$ 20,500,000.00         | \$ 24,600,000.00         |
|   | 2024      | 20,500,000.00            | 23,575,000.00            |
|   | 2025      | 20,500,000.00            | 22,550,000.00            |
|   | 2026      | 20,500,000.00            | 21,525,000.00            |
|   | 2027      | 20,500,000.00            | 20,500,000.00            |
|   | 2028-2032 | 102,500,000.00           | 87,125,000.00            |
|   | 2033-2037 | 102,500,000.00           | 61,500,000.00            |
|   | 2038-2042 | 102,500,000.00           | 35,875,000.00            |
|   | 2043-2047 | 82,000,000.00            | 10,250,000.00            |
|   |           | <u>492,000,000.00</u>    | <u>307,500,000.00</u>    |
| Series 2016-A   | 2023      | 20,305,000.00            | 23,955,500.00            |
|   | 2024      | 20,305,000.00            | 22,940,250.00            |
|   | 2025      | 20,305,000.00            | 21,925,000.00            |
|   | 2026      | 20,305,000.00            | 20,909,750.00            |
|   | 2027      | 20,305,000.00            | 19,894,500.00            |
|   | 2028-2032 | 101,505,000.00           | 84,245,250.00            |
|   | 2033-2037 | 101,500,000.00           | 58,870,000.00            |
|   | 2038-2042 | 101,500,000.00           | 33,495,000.00            |
|   | 2043-2047 | 81,200,000.00            | 8,729,000.00             |
|   |           | <u>487,230,000.00</u>    | <u>294,964,250.00</u>    |
| Series 2019   | 2023      | 3,505,000.00             | 21,684,350.50            |
|   | 2024      | 3,645,000.00             | 21,544,150.50            |
|   | 2025      | 3,795,000.00             | 21,398,350.50            |
|   | 2026      | 3,945,000.00             | 21,246,550.50            |
|   | 2027      | 4,100,000.00             | 21,088,750.50            |
|   | 2028-2032 | 175,185,000.00           | 94,789,096.10            |
|   | 2033-2037 | 201,820,000.00           | 68,154,069.72            |
|   | 2038-2042 | 236,025,000.00           | 33,959,054.50            |
|   | 2043-2047 | 66,920,000.00            | 3,206,986.28             |
|   |           | <u>\$ 698,940,000.00</u> | <u>\$ 307,071,359.10</u> |

**TEXAS DEPARTMENT OF TRANSPORTATION**  
**SCHEDULE 2C - DEBT SERVICE REQUIREMENTS (Continued)**  
For the Fiscal Year Ended August 31, 2022

| Description of Issue  | Year      | Principal                | Interest                |
|---|-----------|--------------------------|-------------------------|
| <b>Texas Highway Improvement General Obligation Bonds (concluded)</b> |           |                          |                         |
| Series 2020   | 2023      | \$ 23,100,000.00         | \$ 31,744,593.10        |
|   | 2024      | 24,260,000.00            | 30,589,593.10           |
|   | 2025      | 25,465,000.00            | 29,376,593.10           |
|   | 2026      | 26,740,000.00            | 28,103,343.10           |
|   | 2027      | 68,885,000.00            | 26,766,343.10           |
|   | 2028-2032 | 212,470,000.00           | 95,509,715.50           |
|   | 2033-2037 | 216,970,000.00           | 44,891,828.00           |
|   | 2038-2042 | 195,840,000.00           | 14,774,925.90           |
|   |           | <u>793,730,000.00</u>    | <u>301,756,934.90</u>   |
| <b>Total General Obligation Bonds</b>                                 |           | <u>9,142,290,000.00</u>  | <u>4,419,175,219.37</u> |
| <b>SHF Revenue Bonds</b>  |           |                          |                         |
| Series 2008   | 2023      |                          | 3,063,637.50            |
|   | 2024      | 10,510,000.00            | 3,063,637.50            |
|   | 2025      | 11,060,000.00            | 2,511,862.50            |
|   | 2026      | 11,640,000.00            | 1,931,212.50            |
|   | 2027      | 12,250,000.00            | 1,320,112.50            |
|   | 2028-2032 | 12,895,000.00            | 676,987.50              |
|   |           | <u>58,355,000.00</u>     | <u>12,567,450.00</u>    |
| Series 2010   | 2023      | 70,495,000.00            | 77,226,067.50           |
|   | 2024      | 72,855,000.00            | 73,681,578.90           |
|   | 2025      | 75,265,000.00            | 70,018,429.50           |
|   | 2026      | 77,340,000.00            | 66,234,105.30           |
|   | 2027      | 203,795,000.00           | 62,345,450.10           |
|   | 2028-2032 | 1,000,250,000.00         | 105,443,497.50          |
|   |           | <u>1,500,000,000.00</u>  | <u>454,949,128.80</u>   |
| Series 2014-A   | 2023      | 103,885,000.00           | 13,587,000.00           |
|   | 2024      | 109,070,000.00           | 8,392,750.00            |
|   | 2025      | 58,785,000.00            | 2,939,250.00            |
|   |           | <u>\$ 271,740,000.00</u> | <u>\$ 24,919,000.00</u> |

**TEXAS DEPARTMENT OF TRANSPORTATION**  
**SCHEDULE 2C - DEBT SERVICE REQUIREMENTS (Continued)**  
For the Fiscal Year Ended August 31, 2022

| Description of Issue                 | Year      | Principal                | Interest                |
|--------------------------------------|-----------|--------------------------|-------------------------|
| <b>SHF Revenue Bonds (continued)</b> |           |                          |                         |
| Series 2014-B                        | 2023      | \$                       | \$ 5,070,000.00         |
|                                      | 2024      |                          | 5,074,630.14            |
|                                      | 2025      |                          | 5,065,369.86            |
|                                      | 2026      |                          | 5,070,000.00            |
|                                      | 2027      |                          | 5,070,000.00            |
|                                      | 2028-2032 | 300,000,000.00           | 23,235,203.91           |
|                                      |           | <u>300,000,000.00</u>    | <u>48,585,203.91</u>    |
| Series 2015                          | 2023      | 87,165,000.00            | 18,393,125.00           |
|                                      | 2024      | 80,850,000.00            | 14,192,750.00           |
|                                      | 2025      | 95,935,000.00            | 9,773,125.00            |
|                                      | 2026      | 89,445,000.00            | 5,138,625.00            |
|                                      | 2027      | 58,050,000.00            | 1,451,250.00            |
|                                      |           | <u>411,445,000.00</u>    | <u>48,948,875.00</u>    |
| Series 2016-A                        | 2023      | 9,610,000.00             | 11,839,500.00           |
|                                      | 2024      | 10,135,000.00            | 11,345,875.00           |
|                                      | 2025      | 36,805,000.00            | 10,172,375.00           |
|                                      | 2026      | 66,105,000.00            | 7,599,625.00            |
|                                      | 2027      | 52,540,000.00            | 4,633,500.00            |
|                                      | 2028-2032 | 66,400,000.00            | 8,268,750.00            |
|                                      |           | <u>\$ 241,595,000.00</u> | <u>\$ 53,859,625.00</u> |

**TEXAS DEPARTMENT OF TRANSPORTATION**  
**SCHEDULE 2C - DEBT SERVICE REQUIREMENTS (Continued)**  
For the Fiscal Year Ended August 31, 2022

| Description of Issue                 | Year      | Principal                   | Interest                   |
|--------------------------------------|-----------|-----------------------------|----------------------------|
| <b>SHF Revenue Bonds (concluded)</b> |           |                             |                            |
| Series 2016-B                        | 2023      | \$                          | \$ 473,822.00              |
|                                      | 2024      |                             | 473,822.00                 |
|                                      | 2025      | 20,500,000.00               | 473,822.00                 |
|                                      | 2026      | 68,870,000.00               | 385,672.00                 |
|                                      |           | <u>89,370,000.00</u>        | <u>1,807,138.00</u>        |
| Series 2020                          | 2023      |                             | 13,657,000.00              |
|                                      | 2024      |                             | 13,657,000.00              |
|                                      | 2025      |                             | 13,657,000.00              |
|                                      | 2026      |                             | 13,657,000.00              |
|                                      | 2027      |                             | 13,657,000.00              |
|                                      | 2028-2032 | 13,650,000.00               | 67,466,000.00              |
|                                      | 2033-2037 | 327,775,000.00              | 13,242,100.00              |
|                                      |           | <u>341,425,000.00</u>       | <u>148,993,100.00</u>      |
| <b>TOTAL Revenue Bonds</b>           |           | <u>3,213,930,000.00</u>     | <u>794,629,520.71</u>      |
| <b>TOTAL GOVERNMENTAL ACTIVITIES</b> |           | \$ <u>12,356,220,000.00</u> | \$ <u>5,213,804,740.08</u> |

**TEXAS DEPARTMENT OF TRANSPORTATION**  
**SCHEDULE 2C - DEBT SERVICE REQUIREMENTS (Continued)**  
For the Fiscal Year Ended August 31, 2022

**BUSINESS-TYPE ACTIVITIES**

| Description of Issue      | Year      | Principal                | Interest                 |
|---------------------------|-----------|--------------------------|--------------------------|
| <b>CTTS Revenue Bonds</b> |           |                          |                          |
| Series 2002-A             | 2023      | \$ 48,940,000.00         | \$                       |
|                           | 2024      | 54,725,000.00            |                          |
|                           | 2025      | 60,410,000.00            |                          |
|                           | 2026      | 77,205,000.00            |                          |
|                           | 2027      | 84,355,000.00            |                          |
|                           | 2028-2032 | 290,895,000.00           |                          |
|                           |           | <u>616,530,000.00</u>    | <u>-</u>                 |
| Series 2012-A             | 2023      |                          | 4,929,400.00             |
|                           | 2024      |                          | 4,929,400.00             |
|                           | 2025      |                          | 4,929,400.00             |
|                           | 2026      |                          | 4,929,400.00             |
|                           | 2027      |                          | 4,929,400.00             |
|                           | 2028-2032 |                          | 24,647,000.00            |
|                           | 2033-2037 |                          | 24,647,000.00            |
|                           | 2038-2042 | 123,235,000.00           | 4,929,400.00             |
|                           |           | <u>123,235,000.00</u>    | <u>78,870,400.00</u>     |
| Series 2015-B             | 2023      |                          | 9,901,250.00             |
|                           | 2024      |                          | 9,901,250.00             |
|                           | 2025      |                          | 9,901,250.00             |
|                           | 2026      |                          | 9,901,250.00             |
|                           | 2027      |                          | 9,901,250.00             |
|                           | 2028-2032 | 40,000,000.00            | 49,506,250.00            |
|                           | 2033-2037 | 398,025,000.00           | 26,929,000.00            |
|                           |           | <u>\$ 438,025,000.00</u> | <u>\$ 125,941,500.00</u> |



**TEXAS DEPARTMENT OF TRANSPORTATION**  
**SCHEDULE 2C - DEBT SERVICE REQUIREMENTS (Continued)**  
For the Fiscal Year Ended August 31, 2022

| Description of Issue                  | Year      | Principal                | Interest                |
|---------------------------------------|-----------|--------------------------|-------------------------|
| <b>CTTS Revenue Bonds (continued)</b> |           |                          |                         |
| Series 2015-C                         | 2023      | \$ 5,375,000.00          | \$ 57,756,000.00        |
|                                       | 2024      | 8,655,000.00             | 57,487,250.00           |
|                                       | 2025      | 12,245,000.00            | 57,054,500.00           |
|                                       | 2026      | 9,825,000.00             | 56,442,250.00           |
|                                       | 2027      | 14,050,000.00            | 55,951,000.00           |
|                                       | 2028-2032 | 267,250,000.00           | 263,480,750.00          |
|                                       | 2033-2037 | 484,415,000.00           | 147,559,500.00          |
|                                       | 2038-2042 | 353,305,000.00           | 51,596,750.00           |
|                                       |           | <u>1,155,120,000.00</u>  | <u>747,328,000.00</u>   |
| Series 2020-A                         | 2023      |                          | 7,973,750.00            |
|                                       | 2024      |                          | 7,973,750.00            |
|                                       | 2025      |                          | 7,973,750.00            |
|                                       | 2026      |                          | 7,973,750.00            |
|                                       | 2027      |                          | 7,973,750.00            |
|                                       | 2028-2032 |                          | 39,868,750.00           |
|                                       | 2033-2037 |                          | 39,868,750.00           |
|                                       | 2038-2042 | 179,475,000.00           | 17,447,500.00           |
|                                       |           | <u>179,475,000.00</u>    | <u>137,053,750.00</u>   |
| Series 2020-B                         | 2023      |                          | 4,950,000.00            |
|                                       | 2024      |                          | 4,954,520.55            |
|                                       | 2025      |                          | 4,945,479.45            |
|                                       | 2026      |                          | 4,950,000.00            |
|                                       | 2027      |                          | 4,950,000.00            |
|                                       | 2028-2032 |                          | 24,754,520.55           |
|                                       | 2033-2037 |                          | 24,745,479.45           |
|                                       | 2038-2042 | 225,000,000.00           | 23,642,893.70           |
|                                       |           | <u>\$ 225,000,000.00</u> | <u>\$ 97,892,893.70</u> |

**TEXAS DEPARTMENT OF TRANSPORTATION**  
**SCHEDULE 2C - DEBT SERVICE REQUIREMENTS (Continued)**  
For the Fiscal Year Ended August 31, 2022

| Description of Issue                       | Year      | Principal                | Interest                 |
|--|-----------|--------------------------|--------------------------|
| <b>CTTS Revenue Bonds (concluded)</b>      |           |                          |                          |
| Series 2020-C                              | 2023      | \$                       | \$ 8,460,148.50          |
|  | 2024      |                          | 8,460,148.50             |
|  | 2025      |                          | 8,460,148.50             |
|  | 2026      |                          | 8,460,148.50             |
|  | 2027      |                          | 8,460,148.50             |
|  | 2028-2032 | 190,000.00               | 42,297,864.94            |
|  | 2033-2037 | 525,000.00               | 42,241,071.08            |
|  | 2038-2042 | 278,590,000.00           | 28,381,124.24            |
|  |           | <u>279,305,000.00</u>    | <u>155,220,802.76</u>    |
| <b>Grand Parkway Transportation Corp.*</b> |           |                          |                          |
| Series 2013-A                              | 2023      |                          | 2,446,162.50             |
|  | 2024      |                          | 2,446,162.50             |
|  | 2025      |                          | 2,446,162.50             |
|  | 2026      |                          | 2,446,162.50             |
|  | 2027      |                          | 2,446,162.50             |
|  | 2028-2032 | 330,000.00               | 12,222,356.25            |
|  | 2033-2037 | 8,490,000.00             | 11,313,950.01            |
|  | 2038-2042 | 23,720,000.00            | 7,304,918.76             |
|  | 2043-2047 | 15,190,000.00            | 802,575.01               |
|  |           | <u>47,730,000.00</u>     | <u>43,874,612.53</u>     |
| Series 2013-B                              | 2023      |                          |                          |
|  | 2024      |                          | 13,878,776.25            |
|  | 2025      |                          | 27,757,552.50            |
|  | 2026      |                          | 27,757,552.50            |
|  | 2027      |                          | 27,757,552.50            |
|  | 2028-2032 | 21,215,000.00            | 137,679,893.75           |
|  | 2033-2037 | 136,950,000.00           | 116,803,073.75           |
|  | 2038-2042 |                          | 96,057,587.50            |
|  | 2043-2047 | 227,640,000.00           | 76,347,582.50            |
|  | 2048-2052 | 103,355,000.00           | 4,716,708.75             |
|  |           | <u>\$ 489,160,000.00</u> | <u>\$ 528,756,280.00</u> |

**TEXAS DEPARTMENT OF TRANSPORTATION**  
**SCHEDULE 2C - DEBT SERVICE REQUIREMENTS (Continued)**  
For the Fiscal Year Ended August 31, 2022

| Description of Issue                                   | Year      | Principal                | Interest                 |
|--|-----------|--------------------------|--------------------------|
| <b>Grand Parkway Transportation Corp.* (continued)</b> |           |                          |                          |
| Series 2013-E  | 2023      | \$                       | \$ 18,756,230.40         |
|  | 2024      |                          | 18,756,230.40            |
|  | 2025      |                          | 18,756,230.40            |
|  | 2026      |                          | 18,756,230.40            |
|  | 2027      |                          | 18,756,230.40            |
|  | 2028-2032 |                          | 93,781,152.00            |
|  | 2033-2037 | 15,195,000.00            | 93,387,297.60            |
|  | 2038-2042 | 306,210,000.00           | 52,648,185.60            |
|  | 2043-2047 | 40,405,000.00            | 1,047,297.60             |
|  |           | <u>361,810,000.00</u>    | <u>334,645,084.80</u>    |
| Series 2016  | 2023      |                          | 1,843,050.00             |
|  | 2024      | 83,775,000.00            | 926,645.00               |
|  |           | <u>83,775,000.00</u>     | <u>2,769,695.00</u>      |
| Series 2018-A  | 2023      |                          | 35,605,000.00            |
|  | 2024      |                          | 35,605,000.00            |
|  | 2025      |                          | 35,605,000.00            |
|  | 2026      |                          | 35,605,000.00            |
|  | 2027      |                          | 35,605,000.00            |
|  | 2028-2032 | 21,825,000.00            | 177,043,125.00           |
|  | 2033-2037 | 131,275,000.00           | 158,881,375.00           |
|  | 2038-2042 | 212,825,000.00           | 113,445,875.00           |
|  | 2043-2047 | 246,070,000.00           | 54,707,500.00            |
|  | 2048-2052 | 100,105,000.00           | 5,003,875.00             |
|  |           | <u>\$ 712,100,000.00</u> | <u>\$ 687,106,750.00</u> |

**TEXAS DEPARTMENT OF TRANSPORTATION**  
**SCHEDULE 2C - DEBT SERVICE REQUIREMENTS (Continued)**  
For the Fiscal Year Ended August 31, 2022

| Description of Issue                                    | Year      | Principal                | Interest                 |
|---|-----------|--------------------------|--------------------------|
| <b>Grand Parkway Transportation Corp. (continued) *</b> |           |                          |                          |
| Series 2018-B   | 2023      | \$                       | \$ 8,326,250.00          |
|   | 2024      |                          | 8,326,250.00             |
|   | 2025      |                          | 8,326,250.00             |
|   | 2026      |                          | 8,326,250.00             |
|   | 2027      |                          | 8,326,250.00             |
|   | 2028-2032 |                          | 41,631,250.00            |
|   | 2033-2037 |                          | 41,631,250.00            |
|   | 2038-2042 |                          | 41,631,250.00            |
|   | 2043-2047 |                          | 41,631,250.00            |
|   | 2048-2052 | 121,660,000.00           | 32,089,000.00            |
|   | 2053-2057 | 44,865,000.00            | 1,121,625.00             |
|   |           | <u>166,525,000.00</u>    | <u>241,366,875.00</u>    |
|   |           |                          |                          |
| Series 2020-A   | 2023      |                          | 7,223,846.78             |
|   | 2024      |                          | 7,223,846.78             |
|   | 2025      |                          | 7,223,846.78             |
|   | 2026      |                          | 7,223,846.78             |
|   | 2027      | 935,000.00               | 7,214,005.90             |
|   | 2028-2032 | 5,380,000.00             | 35,720,205.74            |
|   | 2033-2037 | 6,745,000.00             | 34,927,467.17            |
|   | 2038-2042 | 10,800,000.00            | 33,665,002.70            |
|   | 2043-2047 | 52,630,000.00            | 29,609,815.70            |
|   | 2048-2052 | 101,035,000.00           | 15,574,929.10            |
|   | 2053-2057 | 42,890,000.00            | 719,694.20               |
|   |           | <u>\$ 220,415,000.00</u> | <u>\$ 186,326,507.63</u> |

**TEXAS DEPARTMENT OF TRANSPORTATION**  
**SCHEDULE 2C - DEBT SERVICE REQUIREMENTS (Continued)**  
For the Fiscal Year Ended August 31, 2022

| Description of Issue                                    | Year      | Principal                | Interest                 |
|---|-----------|--------------------------|--------------------------|
| <b>Grand Parkway Transportation Corp. (concluded) *</b> |           |                          |                          |
| Series 2020-B   | 2023      | \$ 18,780,000.00         | \$ 39,551,740.32         |
|   | 2024      | 19,085,000.00            | 39,248,902.02            |
|   | 2025      | 2,780,000.00             | 39,072,607.02            |
|   | 2026      | 2,825,000.00             | 39,025,403.92            |
|   | 2027      | 2,880,000.00             | 38,973,764.42            |
|   | 2028-2032 | 15,315,000.00            | 193,945,498.63           |
|   | 2033-2037 | 17,215,000.00            | 192,047,783.83           |
|   | 2038-2042 | 19,860,000.00            | 189,397,195.25           |
|   | 2043-2047 | 23,280,000.00            | 185,974,433.00           |
|   | 2048-2052 | 764,590,000.00           | 153,176,648.50           |
|   | 2053-2057 | 373,730,000.00           | 6,046,951.40             |
|   |           | <u>1,260,340,000.00</u>  | <u>1,116,460,928.31</u>  |
| Series 2020-C   | 2023      |                          | 31,025,400.00            |
|   | 2024      |                          | 31,025,400.00            |
|   | 2025      |                          | 31,025,400.00            |
|   | 2026      |                          | 31,025,400.00            |
|   | 2027      |                          | 31,025,400.00            |
|   | 2028-2032 |                          | 155,127,000.00           |
|   | 2033-2037 | 4,190,000.00             | 154,861,525.00           |
|   | 2038-2042 | 64,570,000.00            | 149,791,350.00           |
|   | 2043-2047 | 287,305,000.00           | 117,669,450.00           |
|   | 2048-2052 | 437,320,000.00           | 31,109,125.00            |
|   |           | <u>\$ 793,385,000.00</u> | <u>\$ 763,685,450.00</u> |

\*Grand Parkway Transportation Corp. bonds is a blended component unit of TxDOT, these are not obligations of the state.

**TEXAS DEPARTMENT OF TRANSPORTATION**  
**SCHEDULE 2C - DEBT SERVICE REQUIREMENTS (Concluded)**  
For the Fiscal Year Ended August 31, 2022

| Description of Issue                  | Year      | Principal                         | Interest                          |
|---------------------------------------|-----------|-----------------------------------|-----------------------------------|
| <b>State Highway 249 System</b>       |           |                                   |                                   |
| Series 2019-A                         | 2023      | \$                                | \$ 7,204,250.00                   |
|                                       | 2024      |                                   | 7,204,250.00                      |
|                                       | 2025      |                                   | 7,204,250.00                      |
|                                       | 2026      |                                   | 7,204,250.00                      |
|                                       | 2027      |                                   | 7,204,250.00                      |
|                                       | 2028-2032 | 1,365,000.00                      | 36,021,250.00                     |
|                                       | 2033-2037 | 30,605,000.00                     | 36,021,250.00                     |
|                                       | 2038-2042 | 67,415,000.00                     | 36,021,250.00                     |
|                                       | 2043-2047 | 95,445,000.00                     | 36,021,250.00                     |
|                                       | 2048-2052 | 122,780,000.00                    | 36,021,250.00                     |
|                                       | 2053-2057 | 147,435,000.00                    | 22,631,000.00                     |
|                                       |           | <u>465,045,000.00</u>             | <u>238,758,500.00</u>             |
|                                       |           |                                   |                                   |
| Series 2019-B                         | 2023      |                                   | 594,712.50                        |
|                                       | 2024      |                                   | 594,712.50                        |
|                                       | 2025      |                                   | 594,712.50                        |
|                                       | 2026      |                                   | 594,712.50                        |
|                                       | 2027      |                                   | 594,712.50                        |
|                                       | 2028-2032 | 7,745,000.00                      | 2,719,257.50                      |
|                                       | 2033-2037 | 5,050,000.00                      | 237,350.00                        |
|                                       |           | <u>12,795,000.00</u>              | <u>5,930,170.00</u>               |
|                                       |           |                                   |                                   |
| <b>TOTAL BUSINESS-TYPE ACTIVITIES</b> |           | \$ <u><u>7,629,770,000.00</u></u> | \$ <u><u>5,491,988,199.73</u></u> |

**TEXAS DEPARTMENT OF TRANSPORTATION**  
**SCHEDULE 2D - ANALYSIS OF FUNDS AVAILABLE FOR DEBT SERVICE**

For the Fiscal Year Ended August 31, 2022

| <b>Governmental Activities</b>  |  |  |                          |                          |
|---|--|--|--------------------------|--------------------------|
| <b>Pledged and Other Sources and Related Expenditures for FY 2022</b>       |  |  |                          |                          |
| <b>Net Available for Debt Service</b>                                       |  |  | <b>Debt Service</b>      |                          |
| <b>Description of Issue</b>   | <b>Total Pledged<br/>and Other Sources</b> | <b>Operating Expenses/<br/>Expenditures and<br/>Capital Outlay</b> | <b>Principal</b>         | <b>Interest</b>          |
| Texas Mobility General Obligation Bonds                                     | \$ 509,389,787.91                          | (A)  | \$ 141,710,000.00        | \$ 236,694,887.38        |
| State Highway Fund Revenue Bonds  | 9,125,931,947.93                           | (B)  | 260,480,000.00           | 153,326,438.07           |
|   | <u>\$ 9,635,321,735.84</u>                 |  | <u>\$ 402,190,000.00</u> | <u>\$ 390,021,325.45</u> |
| (A) Expenses associated with pledged sources were \$424,636,031.24.         |  |  |                          |                          |
| (B) Expenses associated with pledged sources were \$12,605,784,953.48.      |  |  |                          |                          |
| <b>Business-Type and Blended Component Unit Activities</b>                  |  |  |                          |                          |
| <b>Pledged and Other Sources and Related Expenditures for FY 2022</b>       |  |  |                          |                          |
| <b>Net Available for Debt Service</b>                                       |  |  | <b>Debt Service</b>      |                          |
| <b>Description of Issue</b>   | <b>Total Pledged<br/>and Other Sources</b> | <b>Operating Expenses/<br/>Expenditures and<br/>Capital Outlay</b> | <b>Principal</b>         | <b>Interest</b>          |
| Central Texas Turnpike System Series 2002-A, 2012-A, 2015-A, B, C           | \$ 263,968,412.59                          | (C)  | \$ 45,350,000.00         | \$ 93,816,613.83         |
| Grand Parkway Transportation Corporation Series 2013-A,B,E, 2016, 2018-A, B | 252,805,799.10                             | (D)  | 18,485,000.00            | 175,337,850.33           |
| State Highway 249 System Series 2019-A and 2019-B                           | 16,261,860.90                              | (E)  |                          | 7,798,962.50             |
|   | <u>\$ 533,036,072.59</u>                   |  | <u>\$ 63,835,000.00</u>  | <u>\$ 276,953,426.66</u> |
| (C) Expenses associated with pledged sources were \$164,671,573.87.         |  |  |                          |                          |
| (D) Expenses associated with pledged sources were \$55,543,813.37.          |  |  |                          |                          |
| (E) Expenses associated with pledged sources were \$0.                      |  |  |                          |                          |

**TEXAS DEPARTMENT OF TRANSPORTATION**  
**SCHEDULE 2E-DEFEASED BONDS OUTSTANDING**

For the Fiscal Year Ended August 31, 2022

| Description of Issue  | Year Defeased | Par Value<br>Outstanding   |
|---|---------------|----------------------------|
| <b>Governmental Activities</b>                                |               |                            |
| <b>Texas Mobility Fund General Obligation Bonds</b>           |               |                            |
| Series 2014 Fixed Rate Refunding Bonds                        | 2020          | \$ 380,815,000.00          |
| Series 2014-A Fixed Rate Refunding Bonds                      | 2020          | 690,760,000.00             |
| <b>Texas Highway Improvement General Obligation Bonds</b>     |               |                            |
| Series 2014 Fixed Rate Bonds                                  | 2019          | 84,000,000.00              |
| Series 2014 Fixed Rate Bonds                                  | 2020          | 672,000,000.00             |
| Total General Obligation Bonds                                |               | <u>1,827,575,000.00</u>    |
| <b>State Highway Fund Revenue Bonds</b>                       |               |                            |
| Series 2014-A Refunding Fixed Rate Bonds                      | 2020          | <u>358,625,000.00</u>      |
| Total Revenue Bonds   |               | <u>358,625,000.00</u>      |
| Total Governmental Activities                                 |               | <u>2,186,200,000.00</u>    |
| <b>Business-Type Activities</b>                               |               |                            |
| <b>Central Texas Turnpike System Revenue Bonds</b>            |               |                            |
| Series 2002-A Capital Appreciation Bonds*                     | 2015          | 23,863,000.46              |
| <b>Grand Parkway Transportation Corporation Revenue Bonds</b> |               |                            |
| First Tier Toll Revenue Bonds, Series 2013-A                  | 2020          | 152,270,000.00             |
| Subordinate Tier Toll Revenue Bonds, Series 2013-B            | 2020          | 1,137,935,000.00           |
| Total Business-Type Activities                                |               | <u>1,314,068,000.46</u>    |
| Total   |               | <u>\$ 3,500,268,000.46</u> |

\* Includes \$16,072,957.56 of accreted interest.



**Texas Department of Transportation**  
**Matrix of Expenditures Reported by Function - Governmental Funds**  
For the Fiscal Year Ended August 31, 2022

|                                   | <b>State Highway<br/>Fund</b> | <b>Texas Mobility<br/>Fund</b> | <b>Nonmajor<br/>Funds</b> | <b>Transportation<br/>Function Total</b> |
|-----------------------------------|-------------------------------|--------------------------------|---------------------------|--|
| Salaries and Wages                | \$ 775,209,445.49             | \$ 0.00                        | \$ 1,044,185.73           | \$ 776,253,631.22                        |
| Payroll Related Costs             | 405,177,613.71                | 0.00                           | 307,638.88                | 405,485,252.59                           |
| Professional Fees and Services    | 1,312,546,262.76              | 0.00                           | 3,415,816.54              | 1,315,962,079.30                         |
| Federal Pass-Through Expenditures | 13,269,093.13                 | 0.00                           | 0.00                      | 13,269,093.13                            |
| State Pass-Through Expenditures   | 98,000.00                     | 0.00                           | 0.00                      | 98,000.00                                |
| Travel                            | 5,465,801.73                  | 0.00                           | 59,204.27                 | 5,525,006.00                             |
| Materials and Supplies            | 441,297,343.78                | 0.00                           | 1,602,896.57              | 442,900,240.35                           |
| Communication and Utilities       | 61,157,287.09                 | 0.00                           | 1,756.07                  | 61,159,043.16                            |
| Repairs and Maintenance           | 913,534,752.32                | 0.00                           | 323,534.74                | 913,858,287.06                           |
| Rentals and Leases                | 41,059,003.07                 | 0.00                           | 0.00                      | 41,059,003.07                            |
| Printing and Reproduction         | 2,963,624.33                  | 0.00                           | 23,169.30                 | 2,986,793.63                             |
| Claims and Judgments              | 5,581,775.40                  | 0.00                           | 0.00                      | 5,581,775.40                             |
| Intergovernmental Payments        | 195,948,954.24                | 12,142,476.03                  | 112,336,709.33            | 320,428,139.60                           |
| Public Assistance Payments        | 49,645,052.93                 | 0.00                           | 31,099,261.37             | 80,744,314.30                            |
| Other Expenditures                | 352,106,474.09                | 0.00                           | 215,087.23                | 352,321,561.32                           |
| <b>Total Expenditures</b>         | <b>\$ 4,575,060,484.07</b>    | <b>\$ 12,142,476.03</b>        | <b>\$ 150,429,260.03</b>  | <b>\$ 4,737,632,220.13</b>               |

The above schedule represents governmental fund expenditures of the transportation function in the object code detail.







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Produced by the **Texas Department of Transportation's Financial Management Division.**

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