TEXAS DEPARTMENT OF TRANSPORTATION

An Agency of the State of Texas

Annual Comprehensive Financial Report

For the Fiscal Year Ended August 31, 2021

(With Independent Auditor's Report)

Texas Department of Transportation

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, 2021

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

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Texas Department of Transportation
Annual Comprehensive Financial Report
For the Fiscal Year Ended August 31, 2021

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Section One

Introductory Section

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Texas Department of Transportation

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

December 17, 2021

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, 2021 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, 2021. 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.

OUR VALUES: *People • Accountability • Trust • Honesty*
OUR MISSION: *Connecting You With Texas*

An Equal Opportunity Employer

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.

The $1.2 trillion Infrastructure Investment and Jobs Act was signed into law by President Biden on Nov. 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: $26.9 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; $390 million for general aviation airports; and $35.48 million for the construction of ferry boats and terminals. The IIJA will provide TxDOT with federal funding over the next five years.

Current Financial Conditions

Major revenue sources of the programs are as follows:

- Federal Funds – Nearly 40 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. Federal fuel tax revenues 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. 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. 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.

- Proposition 1 Funds – These funds are derived from a portion of oil and gas production taxes that voters approved in fiscal 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 2020, TxDOT received the $1.13 billion Proposition 1 deposit for fiscal 2020. TxDOT received $1.46 billion in November 2021 for fiscal 2021, and $1.88 billion in November 2022 for fiscal 2022. Proposition 1 fund transfers to the State Highway Fund expire Dec. 31, 2034.

- 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.

    a. 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 fiscal 2021.This general sales tax provision will continue to occur until its expiration at the end of fiscal 2032, unless the state legislature votes to extend it.

    b. 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 July 2021, TxDOT received $237.7 million, the first 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 help 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 system 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 more than 20 years, at least one person has died on our roadways every day, and in calendar year 2020, more than 3,800 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 2021. 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."

- Key Funding Key Priorities in the UTP
  The Texas Transportation Commission approved TxDOT's Unified Transportation Program (UTP) for fiscal 2022 that includes more than $74.4 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. Led by Commission Chairman J. Bruce Bugg, 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.

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 Aug. 31, 2020. 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 annual comprehensive 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.

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's Financial Reports Section and other sections of the Financial Management Division, the Toll Operations 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,

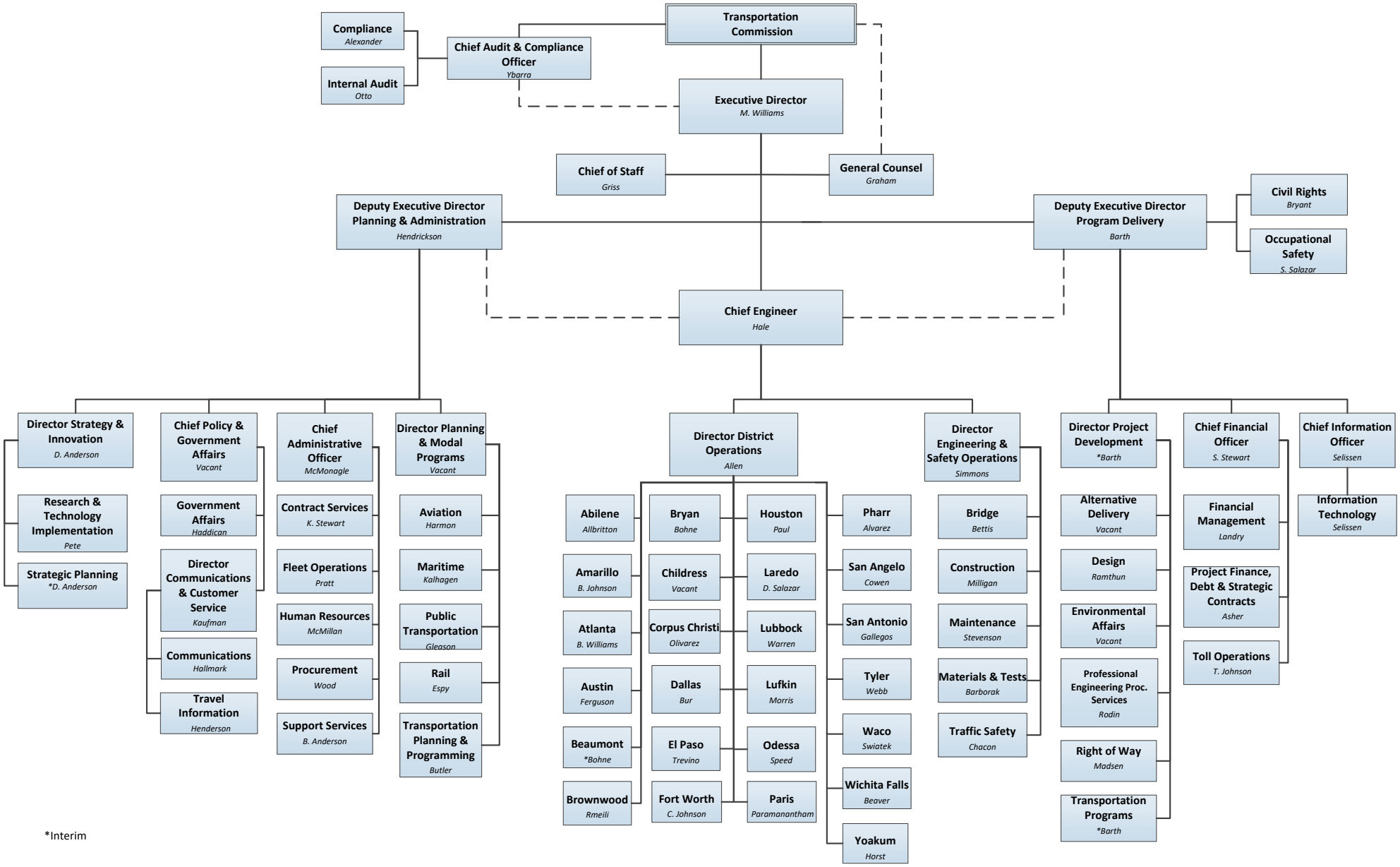
DocuSigned by:
0E1B35AE191749E...

Marc D. Williams, P.E.
Executive Director

DocuSigned by:
E5670E9944BB433...

Stephen Stewart, CPA
Chief Financial Officer

Texas Department of Transportation
Organization Chart as of September 1, 2021



*Interim

Texas Department of Transportation
Commission and Key Personnel
as of September 1, 2021

TEXAS TRANSPORTATION COMMISSION

J. BRUCE BUGG, JR----------Chairman
San Antonio

W. ALVIN NEW----------Commissioner
San Angelo

LAURA RYAN----------Commissioner
Houston

ROBERT C. VAUGHN----------Commissioner
Dallas

TEXAS DEPARTMENT OF TRANSPORTATION

MARC D. WILLIAMS----------Executive Director
BRANDYE HENDRICKSON----------Deputy Executive Director, Planning and Administration
BRIAN BARTH----------Deputy Executive Director, Program Delivery
MARY A. GRISS----------Chief of Staff
STEPHEN STEWART----------Chief Financial Officer
BENITO YBARRA ----------Chief Audit and Compliance Officer
WILLIAM L. HALE----------Chief Engineer
RICHARD C. MCMONAGLE----------Chief Administrative Officer
ANH SELISSEN ----------Chief Information Officer
ROBERT S. KAUFMAN----------Director of Communications and Customer Service
JEFFREY M. GRAHAM----------General Counsel
GERARD J. HADDICAN II----------Director of Government Affairs
DARRAN T. ANDERSON----------Director of Strategy and Innovation

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Texas Department of Transportation

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

August 31, 2020

Christopher P. Morrill

Executive Director/CEO

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Section Two

Financial Section

Crowe

Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

Members of the Texas Transportation Commission
State of Texas

Report on the Financial Statements

We have audited the accompanying 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, 2021, and the related notes to the financial statements, which collectively comprise TxDOT's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the 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, 2021, 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.

Emphasis of Matters

As discussed in Note 1, the financial statements of TxDOT are intended to present the financial position, 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 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, 2021, 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 1 and 14 to the financial statements, during the year ended August 31, 2021, TxDOT adopted new accounting guidance, GASB Implementation Guide No. 2019-1, Implementation Guidance Update – 2019, changing its method of accounting for recognition of nonexchange revenue. As a result of the change in accounting principle, an adjustment was posted to reduce the September 1, 2020 State Highway fund balance and governmental activities net position by $94,521,000. Our opinions are not modified with respect to this matter.

Other Matters

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 14-22, 104-106, 108-109 and 110-111, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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 schedules, the statistical section, the bond schedules and the other information, such as the introductory section, Schedule 1A, 1B and Schedule 3 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining financial statements and schedules, and the supplementary bond schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 schedules, and supplementary bond schedules, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section, the statistical section, Schedule 1A, 1B and Schedule 3 has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated December 17, 2021 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 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

Crowe LLP

Dallas, Texas
December 17, 2021

Section Two (Continued)

Management's Discussion and Analysis (Unaudited)

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, 2021. Readers should use this section in conjunction with TxDOT's basic financial statements to further enhance their understanding of TxDOT's financial performance.

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.

Reporting on TxDOT as a Whole

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.

Reporting on TxDOT's Most Significant Funds

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.

Financial Analysis of TxDOT as a Whole

Net Position

Assets – TxDOT's total assets increased by $7.8 billion during the current fiscal year to $148.2 billion. Capital assets increased by $8.1 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 increased by $166.6 million or 10.2% from fiscal 2020. The increase was due to $242.1 million increase in pension and $36.3 million decrease in loss on bond funding and $39.2 decrease in other postemployment benefits.

Liabilities – TxDOT's total liabilities increased by $187.1 million during the current fiscal year to $32.0 billion. Noncurrent liabilities accounted for 88.1 percent of total liabilities of $32.0 billion.

Deferred Inflow – TxDOT's total deferred inflow of resources increased by $216.2 million during the current fiscal year to $12.9 billion. Most of the increase was due to a combination of an increase of $680.9 million in Service Concession Arrangements and a decrease of $384.9 million in other postemployment benefits.

Net Position – Approximately $102.4 billion of the total net position is reported as Net Investment in Capital Assets. Although reported net of related debt and deferred inflow of resources, capital assets cannot be used to liquidate liabilities.

Statement of Net Position
August 31, 2021 and 2020 (Amounts in Thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
ASSETS						
Assets Other Than Capital Assets	$ 12,622,515	$ 12,612,479	$ 5,099,660	$ 5,409,569	$ 17,722,175	$ 18,022,048
Capital Assets	127,452,466	119,334,168	3,071,895	3,046,076	130,524,361	122,380,244
Total Assets	140,074,981	131,946,647	8,171,555	8,455,645	148,246,536	140,402,292
DEFERRED OUTFLOW OF RESOURCES	1,592,425	1,418,063	202,429	210,152	1,794,854	1,628,215
LIABILITIES						
Current Liabilities	3,610,904	3,668,103	217,251	293,090	3,828,155	3,961,193
Non-current Liabilities	20,177,480	19,824,904	8,036,793	8,069,279	28,214,273	27,894,183
Total Liabilities	23,788,384	23,493,007	8,254,044	8,362,369	32,042,428	31,855,376
DEFERRED INFLOW OF RESOURCES	12,871,239	12,653,604	26,460	27,852	12,897,699	12,681,456
NET POSITION						
Net Investment in Capital Assets	102,426,873	92,952,167	752,563	718,364	103,179,436	93,670,531
Restricted	8,642,379	8,298,396	430,666	405,876	9,073,045	8,704,272
Unrestricted	(6,061,469)	(4,032,464)	(1,089,749)	(848,664)	(7,151,218)	(4,881,128)
Total Net Position	$ 105,007,783	$ 97,218,099	$ 93,480	$ 275,576	$ 105,101,263	$ 97,493,675

C***hanges 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 $6.0 billion and general revenues of $7.2 billion, for total revenues of $13.2 billion. The expenses of TxDOT were $7.1 billion. The total net position increased to $105.1 billion in fiscal 2021 from $97.5 billion in fiscal 2020 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 $7.9 billion compared to $7.7 billion in fiscal 2020. $11.5 billion of operating grants and contributions and taxes contributed to 89.7 percent of total revenues of $12.8 billion. In fiscal 2021, operating

grants and contributions decreased by $1.5 billion compared to fiscal 2020. The primary reason for the decrease was the application of Implementation Guide 2019-1. After implementation in fiscal 2021, a lower amount of federal revenue was recognized in fiscal 2021 due to eligibility requirements not being met. The federal revenue decrease was offset with an increase in taxes of $1.1 billion in fiscal 2021. The increase was due to the rebound of motor fuels taxes, oil production taxes and natural gas production taxes from the COVID-19 pandemic in fiscal 2021. TxDOT also received a portion of state motor vehicles sales and rental taxes for the first time in fiscal 2021. Total expenses decreased by $517.7 million from $7.0 billion in fiscal 2020 to $6.5 billion in fiscal 2021. This was due to an expenditure budget shift from maintenance contracts to construction contracts during fiscal 2021.

Business-Type Activities

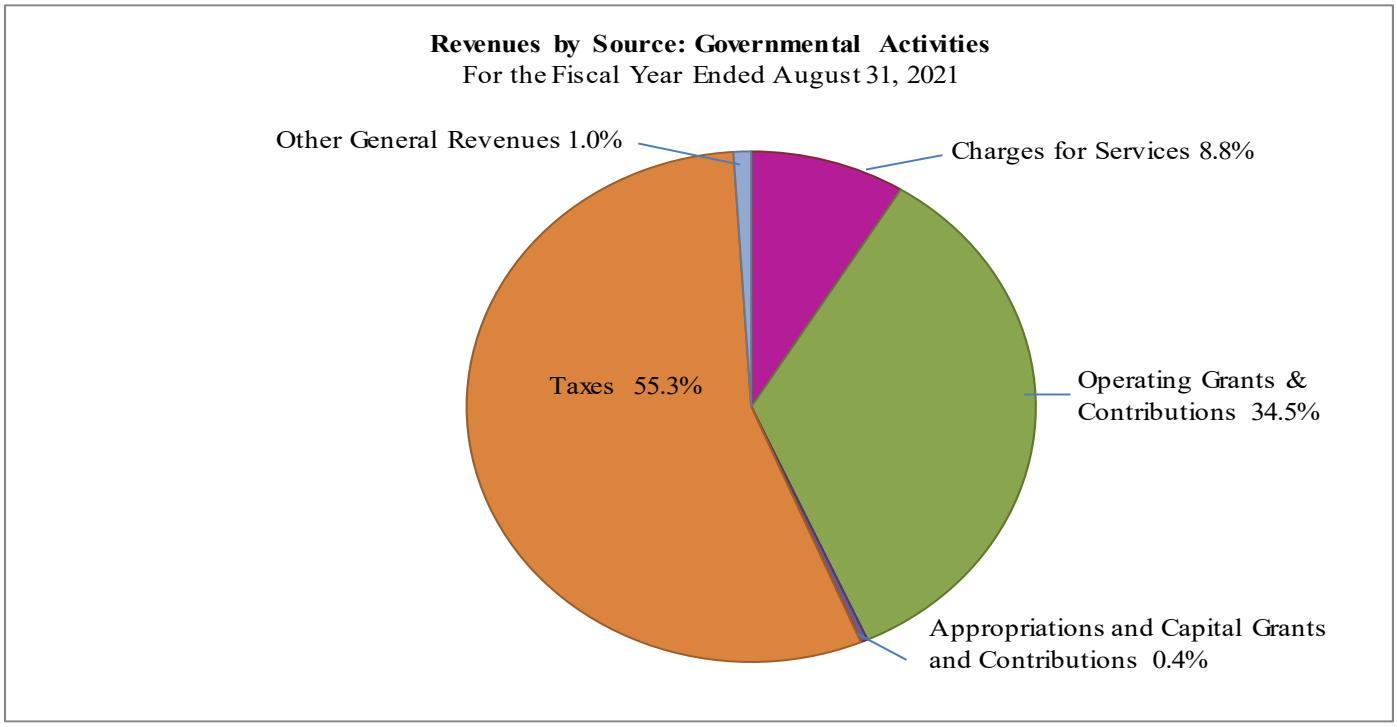
In fiscal 2021, the net position of business-type activities decreased by a total of $182.1 million or 66.1 percent from $275.6 million to $93.5 million. The change in net position decreased by $68.5 million or 60.3 percent decrease over fiscal 2020. Total revenues decreased by $63.5 million or 14.1 percent from $450.0 million in fiscal 2020 to $386.5 million in fiscal 2021. This was primarily due to a reduction in toll revenues from 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. Total expenses increased by $14.4 million or 2.4 percent from $593.0 million in fiscal 2020 to $607.4 million in fiscal 2021 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.

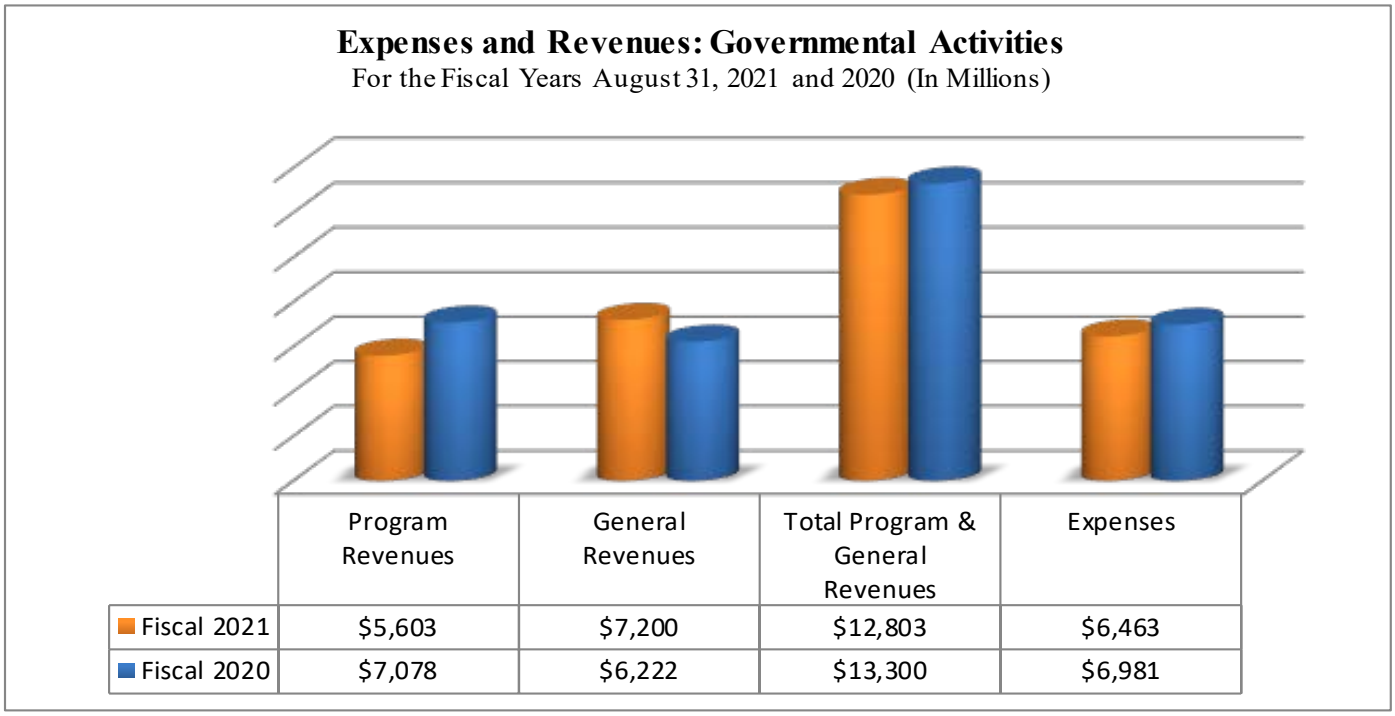
Changes in Net Position

For the Fiscal Years Ended August 31, 2021 and 2020 (Amounts in Thousands)

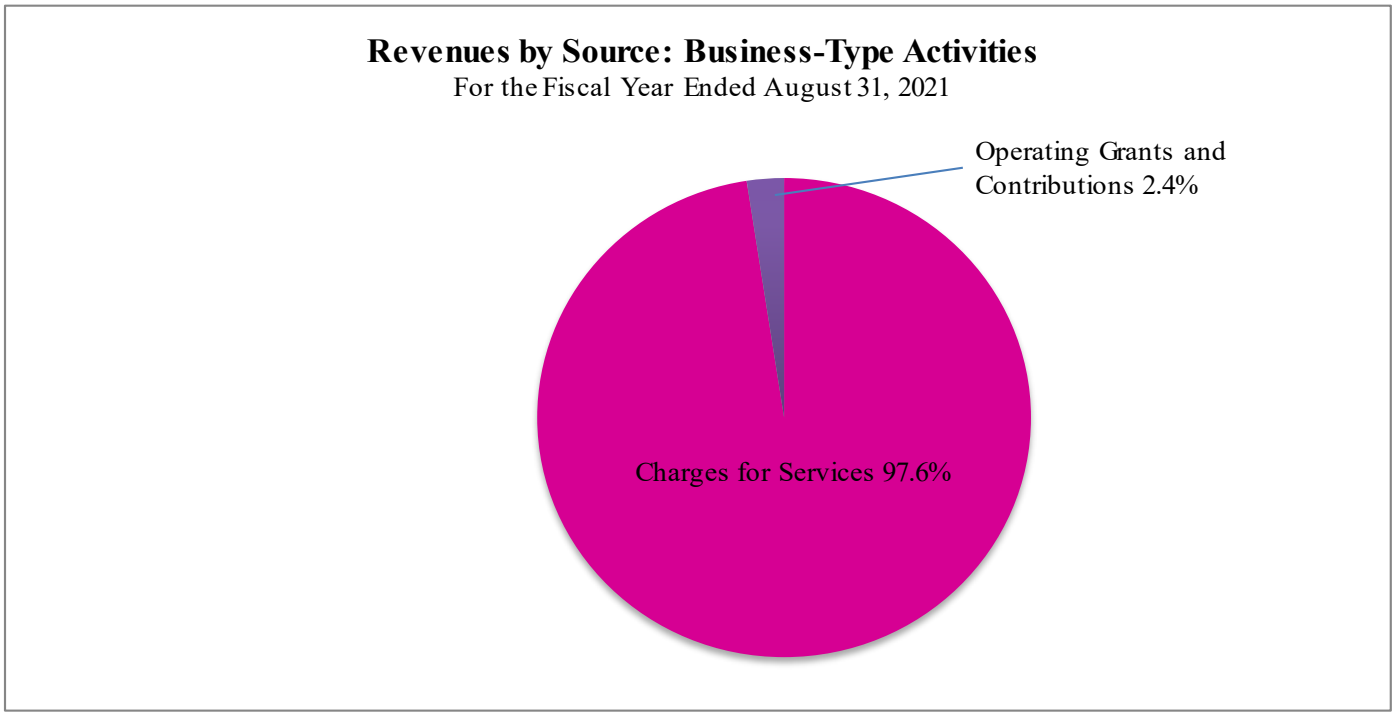
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
REVENUES						
Program Revenues:						
Charges for Services	$ 1,126,044	$ 1,141,243	$ 377,117	$ 403,001	$ 1,503,161	$ 1,544,244
Operating Grants and Contributions	4,421,479	5,900,935	9,364	46,998	4,430,843	5,947,933
Capital Grants and Contributions	55,201	36,284			55,201	36,284
Total Program Revenues	5,602,724	7,078,462	386,481	449,999	5,989,205	7,528,461
General Revenues:						
Appropriations	457	17,187			457	17,187
Taxes	7,067,231	6,011,483			7,067,231	6,011,483
Unrestricted Investment Earnings	86,437	140,906			86,437	140,906
Settlement of Claims	43,473	34,147	18		43,491	34,147
Gain on Sale of Capital Assets		18,514				18,514
Other General Revenues	2,240	(325)			2,240	(325)
Total General Revenues	7,199,838	6,221,912	18		7,199,856	6,221,912
Total Revenues	12,802,562	13,300,374	386,499	449,999	13,189,061	13,750,373
EXPENSES						
Transportation	6,463,062	6,980,791	607,471	593,048	7,070,533	7,573,839
Total Expenses	6,463,062	6,980,791	607,471	593,048	7,070,533	7,573,839
Excess (Deficiency) Before Special Items and Transfers	6,339,500	6,319,583	(220,972)	(143,049)	6,118,528	6,176,534
Transfers - Internal Activities	(38,876)	(29,457)	38,876	29,457		
Transfers - Other State Agencies	1,583,581	1,438,006			1,583,581	1,438,006
Change in Net Position	7,884,205	7,728,132	(182,096)	(113,592)	7,702,109	7,614,540
Net Position, Beginning Balance	97,218,099	89,489,967	275,576	389,168	97,493,675	89,879,135
Change in Accounting Principle*	(94,521)				(94,521)	
Net Position, September 1, 2020, as Restated	97,123,578	89,489,967	275,576	389,168	97,399,154	89,879,135
Net Position, Ending Balance	$ 105,007,783	$ 97,218,099	$ 93,480	$ 275,576	$ 105,101,263	$ 97,493,675

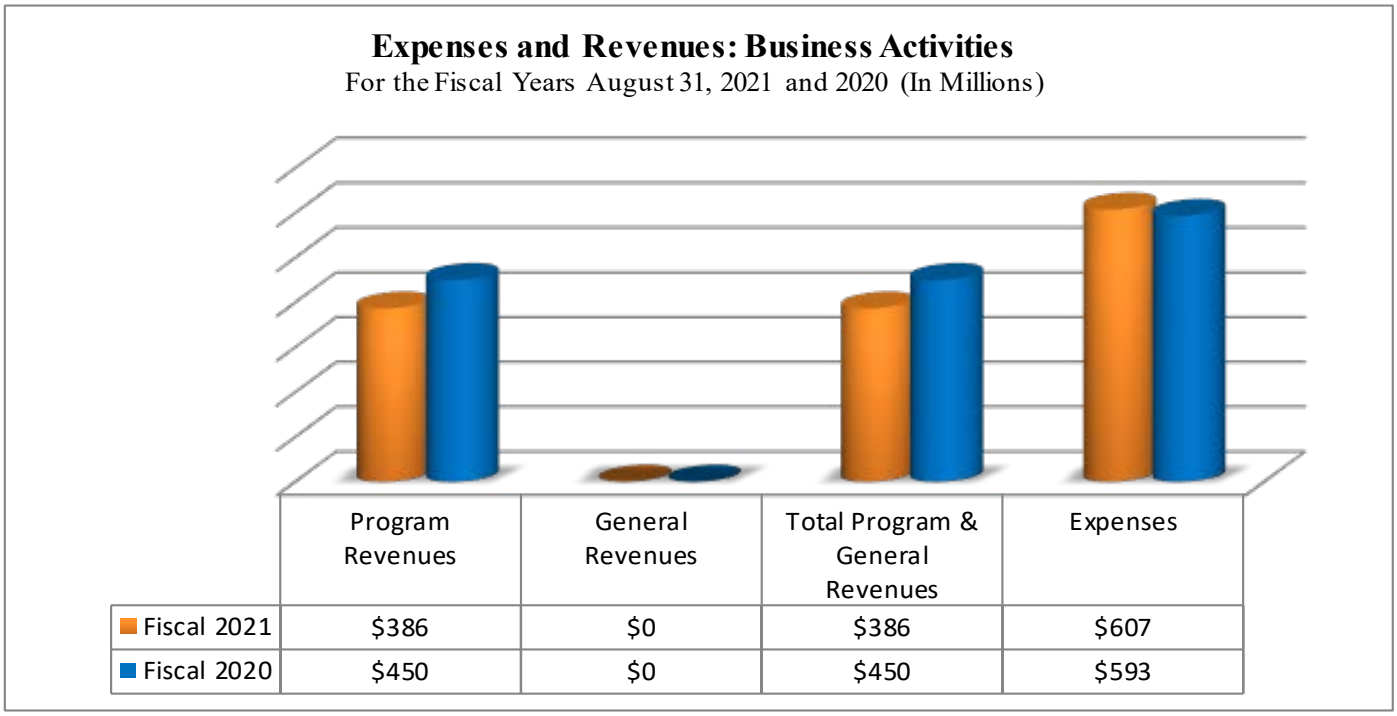
*Change in Accounting Principle due to Implementation Guide 2019-1 transition.





	Program Revenues	General Revenues	Total Program & General Revenues	Expenses
Fiscal 2021	$5,603	$7,200	$12,803	$6,463
Fiscal 2020	$7,078	$6,222	$13,300	$6,981





	Program Revenues	General Revenues	Total Program & General Revenues	Expenses
Fiscal 2021	$386	$0	$386	$607
Fiscal 2020	$450	$0	$450	$593

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 $8.8 billion on Aug. 31, 2021, most of which is allocated to restricted capital projects. Expenditures exceeded revenues by $1.2 billion. Some project expenditures are funded by revenues collected in prior years rather than current year revenues.

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, 2021 was $8.0 billion. Total revenues increased by $26.7 million, or 0.2 percent, to $12.2 billion in fiscal 2021. 97.6 percent of the total revenue included $6.7 billion of taxes and $5.2 billion of federal revenue. $9.0 million capital outlay expenditures contributed to 71.2 percent of overall SHF's expenditures in fiscal 2021. Changes in fund balance was $575.3 million in fiscal 2021, an increase of $485.2 million from fiscal 2020. Fund balance increased due to a tax revenue increase of $197.6 million during fiscal 2021, after a rebound in motor fuels tax collections from the COVID-19 pandemic. In addition, transportation expenditures decreased by $724.0 million due to a budget reduction for maintenance contracts. The reduction was offset with an increase in budget for construction contracts, and capital outlay increased by $318.3 million in fiscal 2021 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, 2021 was $389.2 million, an increase of $63.2 million or 21.3 percent, from $321.0 million on Aug. 31, 2020. Change in fund balance was $68.2 million in fiscal 2021 compared to negative $89.6 million in fiscal 2020, a 176.1% increase over the fiscal year. Due to the decrease in construction project expenditures receiving mobility fund dollars, capital outlay expenditures decreased by $55.6 million or 33.2 percent. A total of $522.9 million of revenues were collected for the fund. The major revenue sources were licenses, fees, and permits, which accounted for $499.7 million or 95.6 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 ETC transactions attributable to the transition have been substantially resolved. As of the date of this notice, TxDOT continues to experience interruptions to customer service activities, including processing and billing delays relating to PBM Toll transactions occurring on the System since Nov. 17, 2020.

Central Texas Turnpike System

The net position of CTTS was $273.4 million as of Aug. 31, 2021, a decrease of $101.0 million from fiscal 2020. CTTS' operating revenues decreased by $37.4 million or 17.0 percent over fiscal 2020. The decrease largely was due to continuing impacts from the COVID-19 pandemic as well as billing issues related to implementation of the new back office system. The total expense for CTTS in fiscal 2021 was $292.6 million, compared to $259.1 million in fiscal 2020. Depreciation and amortization combined with interest expenses contributed to $172.2 million, which was 58.9 percent, of the total expense of CTTS.

Grand Parkway Transportation Corporation

GPTC reported a deficit net position of $420.9 million in fiscal 2021, a decrease in net position of $110.4 million over fiscal 2020. GPTC's operating revenues in fiscal 2021 increased by $5.7 million, or 3.1 percent over fiscal 2020. The increase was due to increase

in toll transactions. In fiscal 2021, GPTC's total expense was $302.2 million, which decreased by $19.6 million or 6.1 percent over fiscal 2020. The largest expense in fiscal 2021 was $199.2 million of interest payments.

SH 249 System

SH 249 System started to receive toll revenue as the tollway opened to traffic in December 2020. During fiscal 2021, SH 249 System generated $5.8 million in toll revenue, net of allowance for doubtful accounts. The total increase in net position of $29.3 million is mainly due to $36.1 million transfer of capital assets from Governmental Activities, and net nonoperating expenses of $12.3 million.

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 $3.9 billion.

There was a $2.4 billion variance between the actual and final budget revenues. The $2.0 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 $3.1 billion.

The budgetary comparison schedule in the Required 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, 2021, TxDOT had $130.5 billion in net capital assets, an $8.1 billion or 6.7 percent increase over fiscal 2020. The increase was due to the reclassification and purchase of $6.7 billion in depreciable infrastructure, $2.3 billion of construction in progress and $1.2 billion of land and land improvements in fiscal 2021. The total accumulated depreciation and amortization for TxDOT as of Aug. 31, 2021 was $28.3 billion.

Capital Assets - Net of Depreciation and Amortization
August 31, 2021 and 2020 (Amounts in Thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Land and Land Improvements	$ 16,840,633	$ 15,666,188	$ 726,103	$ 725,374	$ 17,566,736	$ 16,391,562
Infrastructure - Depreciable	87,784,024	83,199,960	1,867,964	1,795,703	89,651,988	84,995,663
Construction in Progress	21,965,776	19,644,639	402,147	502,373	22,367,923	20,147,012
Buildings and Building Improvements	304,222	272,923	2,798	3,160	307,020	276,083
Furniture and Equipment	67,513	69,307			67,513	69,307
Vehicles, Boats and Aircraft	386,475	394,043			386,475	394,043
Other Capital Assets	5,279	6,055			5,279	6,055
Land Use Rights - Permanent	87,105	67,648	19,466	19,466	106,571	87,114
Land Use Rights - Term	602	436			602	436
Computer Software	10,837	12,969	53,417		64,254	12,969
Total Capital Assets	$ 127,452,466	$ 119,334,168	$ 3,071,895	$ 3,046,076	$ 130,524,361	$ 122,380,244

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 2021 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 $26.2 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, 2021 (Amount in Thousands)

	Governmental Activities		Business-Type Activities	
	2021	2020	2021	2020
General Obligation Bonds Payable	$ 10,048,173	$ 10,353,570	$	$
Revenue Bonds Payable	3,649,875	3,941,482	7,504,914	7,513,946
Total Bonds Payable	$ 13,698,048	$ 14,295,052	$ 7,504,914	$ 7,513,946

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, 2021, the bonds carried the following ratings.

Long-Term Credit Ratings as of August 31, 2021

Governmental Activities	Fitch	Moody's	Standard & Poor's	Kroll
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, 2012-A, 2014, 2016, 2016-A, 2019	AAA	Aaa	AAA	AAA
HIGO 2020	AAA	Aaa	n/a	AAA
Revenue Bonds				
SHF 2008, 2010, 2014-A, B2, 2015, 2016-A,B, 2020	n/a	Aaa	AAA	n/a
Business-Type Activities				
Revenue Bonds				
CTTS 2002-A, 2012-A, 2015-B, 2020-A,B,C	A	A3	A	n/a
CTTS 2015-C	BBB+	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, 2021.

Short-Term Credit Ratings as of August 31, 2021				
Governmental Activities	Fitch	Moody's	Standard & Poor's	Kroll
General Obligation Bonds				
TMF Series 2006-B Variable Rate Interest Bonds	F1+	VMIG 1	n/a	n/a
Revenue Bonds				
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, with challenges. The National and Texas' economy was interrupted in the spring of 2020 because of a global pandemic. The global pandemic resulted in many citizens that were not serving in critical functions being asked to shelter in place. The economy has rebounded some in fiscal year 2021. Consumer confidence increased in fiscal year 2021, which indicates that consumers are more optimistic about the economy as they were last year; however, consumers remain cautious. The unemployment rate in Texas has decreased. During the previous five fiscal years, 2017-2021, 4,047 highway and bridge construction projects estimated at $30.0 billion were let or awarded for $29.0 billion. In addition, TxDOT awarded one design build contract totaling $1.5 billion in fiscal 2021.

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 11th Street
Austin, Texas 78701-2483

Section Two (Continued)

Basic Financial Statements

Texas Department of Transportation
Statement of Net Position
August 31, 2021 (Amounts in Thousands)

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ 9,290,477	$ 329,404	$ 9,619,881
Restricted:			
Cash and Cash Equivalents	19,025	1,067,789	1,086,814
Legislative Appropriations	16,017		16,017
Due from Other Agencies (Note 11)	1,822,883		1,822,883
Receivable:			
Taxes	224,936		224,936
Federal	447,381		447,381
Interest and Dividends	5,654	1,202	6,856
Accounts Receivable	72,930	25,937	98,867
Other Intergovernmental	210,746		210,746
Loans and Contracts (Note 4)	19,175		19,175
Consumable Inventory	146,852	773	147,625
Total Current Assets	12,276,076	1,425,105	13,701,181
Noncurrent Assets:			
Restricted:			
Investments		242,360	242,360
Loans and Contracts (Note 4)	326,473		326,473
Investments	19,966	259,390	279,356
Intangible Assets (Note 20)		3,172,805	3,172,805
Capital Assets:			
Non-Depreciable Capital Assets (Note 2)	38,893,516	1,147,717	40,041,233
Depreciable Capital Assets, Net (Note 2)	88,558,950	1,924,178	90,483,128
Total Noncurrent Assets	127,798,905	6,746,450	134,545,355
Total Assets	140,074,981	8,171,555	148,246,536
DEFERRED OUTFLOWS OF RESOURCES			
Loss on Bond Refunding (Note 21)	208,408	202,429	410,837
Pensions (Note 8, 21)	1,023,383		1,023,383
Other Postemployment Benefits (Note 10, 21)	360,634		360,634
Total Deferred Outflows of Resources	1,592,425	202,429	1,794,854

Continued on the following page

Texas Department of Transportation (Concluded)
Statement of Net Position
August 31, 2021 (Amounts in Thousands)

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current Liabilities:			
Payables:			
Accounts	1,546,636	60,823	1,607,459
Payroll	92,659		92,659
Interest	227,366	77,666	305,032
Contract Retainage	35,355		35,355
Deposits	31,979		31,979
Internal Balances (Note 11)	37,450	(37,450)	0
Due to Other Agencies (Note 11)	2,605		2,605
Unearned Revenues	517,415	21,699	539,114
Employees' Compensable Leave (Note 5)	81,471		81,471
Notes and Loans Payable (Note 5)	159,791	10,532	170,323
General Obligation Bonds Payable (Note 5)	340,724		340,724
Revenue Bonds Payable (Note 5)	447,053	83,981	531,034
Pollution Remediation Obligation (Note 5)	10,174		10,174
Net OPEB Liability (Note 10)	80,226		80,226
Total Current Liabilities	3,610,904	217,251	3,828,155
Noncurrent Liabilities:			
Employees' Compensable Leave (Note 5)	32,186		32,186
Notes and Loans Payable (Note 5)	1,100,427	615,861	1,716,288
General Obligation Bonds Payable (Note 5)	9,707,449		9,707,449
Revenue Bonds Payable (Note 5)	3,202,822	7,420,932	10,623,754
Net Pension Liability (Note 8)	3,809,700		3,809,700
Net OPEB Liability (Note 10)	2,324,896		2,324,896
Total Noncurrent Liabilities	20,177,480	8,036,793	28,214,273
Total Liabilities	23,788,384	8,254,044	32,042,428
DEFERRED INFLOWS OF RESOURCES			
Service Concession Arrangements (Note 20, 21)	11,845,914		11,845,914
Gain on Bond Refunding (Note 21)	37,582	26,460	64,042
Pensions (Note 8, 21)	50,109		50,109
Other Postemployment Benefits (Note 10, 21)	937,634		937,634
Total Deferred Inflows of Resources	12,871,239	26,460	12,897,699
NET POSITION			
Net Investment in Capital Assets	102,426,873	752,564	103,179,437
Restricted for:			
Transportation - Construction	8,372,848	3,099	8,375,947
Transportation - Operations and Maintenance	10,539	168,007	178,546
Debt Service	258,992	259,560	518,552
Unrestricted	(6,061,469)	(1,089,750)	(7,151,219)
Total Net Position	$ 105,007,783	$ 93,480	$ 105,101,263

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, 2021
(Amounts in Thousands)

		PROGRAM REVENUES		
Functions	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Primary Government				
Governmental Activties:				
Transportation	$ 6,463,062	$ 1,126,044	$ 4,421,479	$ 55,201
Total Governmental Activities	6,463,062	1,126,044	4,421,479	55,201
Business-Type Activities:				
Transportation	607,471	377,117	9,364	
Total Business-Type Activities	607,471	377,117	9,364	0
Total Primary Government	$ 7,070,533	$ 1,503,161	$ 4,430,843	$ 55,201

General Revenues:
Original Appropriation
Additional Appropriation
Lapsed Appropriation
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, 2020, As Restated (Note 14)

Net Position, August 31, 2021

Continued on the following page

Texas Department of Transportation (Concluded)
Statement of Activities
For the Fiscal Year Ended August 31, 2021
(Amounts in Thousands)

NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
Governmental Activities	**Business-Type Activties**	**Total**
$ (860,338)	$	$ (860,338)
(860,338)	0	(860,338)
	(220,990)	(220,990)
0	(220,990)	(220,990)
(860,338)	(220,990)	(1,081,328)
229		229
301		301
(73)		(73)
2,835,935		2,835,935
2,537,000		2,537,000
1,457,260		1,457,260
86,437		86,437
43,473	18	43,491
237,036		237,036
2,240		2,240
(38,876)	38,876	0
1,583,581		1,583,581
8,744,543	38,894	8,783,437
7,884,205	(182,096)	7,702,109
97,123,578	275,576	97,399,154
$ 105,007,783	$ 93,480	$ 105,101,263

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

Texas Department of Transportation
Balance Sheet - Governmental Funds
August 31, 2021 (Amounts in Thousands)

	State Highway Fund	Texas Mobility Fund	Nonmajor Funds	Total
ASSETS				
Cash and Cash Equivalents:				
Cash on Hand	$ 737	$	$	$ 737
Cash in Bank	2,186			2,186
Cash in State Treasury	8,034,532	393,002	750,071	9,177,605
Cash Equivalents	109,949			109,949
Legislative Appropriations			16,017	16,017
Receivables:				
Taxes	224,936			224,936
Federal	403,804	10,978	32,599	447,381
Other Intergovernmental	210,601		145	210,746
Interest and Dividends	5,654			5,654
Accounts Receivable	72,930			72,930
Due from Other Funds (Note 11)	32,323	1,261	7,222	40,806
Due from Other Agencies (Note 11)	1,700,522		122,361	1,822,883
Consumable Inventories	146,852			146,852
Investments	19,966			19,966
Loans and Contracts (Note 4)	345,648			345,648
Restricted:				
Cash Equivalents	19,025			19,025
Total Assets	$ 11,329,665	$ 405,241	$ 928,415	$ 12,663,321
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Payables:				
Accounts	1,495,431	14,563	36,642	1,546,636
Payroll	92,529		130	92,659
Contract Retainage	35,355			35,355
Deposits	31,979			31,979
Due to Other Funds (Note 11)	55,927	1,413	20,916	78,256
Due to Other Agencies (Note 11)	2,605			2,605
Unearned Revenues	2,646		514,769	517,415
Total Liabilities	1,716,472	15,976	572,457	2,304,905
Deferred Inflows of Resources:				
Unavailable Revenue (Note 21)	1,578,904		8,802	1,587,706
Total Deferred Inflows of Resources	1,578,904	0	8,802	1,587,706
Fund Balances (Deficits):				
Nonspendable (Note 13)	146,852			146,852
Restricted (Note 13)	6,915,223	241,777	334,319	7,491,319
Committed (Note 13)	671,104	147,488	5,779	824,371
Assigned (Note 13)	301,110		130	301,240
Unassigned (Note 13)			6,928	6,928
Total Fund Balances	8,034,289	389,265	347,156	8,770,710
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 11,329,665	$ 405,241	$ 928,415	$ 12,663,321

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, 2021 (Amounts in Thousands)

Total Fund Balance - Governmental Funds		8,770,710
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	$ 38,893,516	
Capital Assets - Depreciable or Amortizable, Net	88,558,950	
		127,452,466
Deferred inflows of resources were reported in the funds related to revenues that were not available soon enough after year-end to pay current year's expenditures (Note 21).		1,587,706
Deferred inflows of resources were reported in the Statement of Net Position to reflect the unamortized up-front payments received and capital improvements under Service Concession Arrangements, gain on bond refundings, and impact of pension and other postemployment benefit adjustments (Note 21).		(12,871,239)
Deferred outflows of resources were reported in the Statement of Net Position to reflect the loss on bond refundings and impact of pension and other postemployment benefits. (Note 21)		1,592,425
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, 8, 10)		
Employees' Compensable Leave	(113,657)	
Notes and Loans Payable**	(1,260,218)	
General Obligation Bonds Payable	(10,048,173)	
Revenue Bonds Payable	(3,649,875)	
Pollution Remediation Obligations	(10,174)	
Net Pension Liability	(3,809,700)	
Net OPEB Liabilities	(2,405,122)	
		(21,296,919)
* Current portion $1,119,439 and noncurrent portion $20,177,480 **Pass-Through Tolls Payable $584,345, Contracts Payable $28,000, TIFIA Loan Payable $321,897, TPFA Note Payable $325,976		
Interest payable applicable to TxDOT's governmental activities is not due and payable in the current period and accordingly is not reported in the funds. These liabilities, however, are included in the Statement of Net Position.		(227,366)
Net Position of Governmental Activities		$ 105,007,783

Texas Department of Transportation
Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended August 31, 2021 (Amounts in Thousands)

	State Highway Fund	Texas Mobility Fund	Nonmajor Funds	Total
REVENUES				
Legislative Appropriations:				
Original Appropriatons	$	$	$ 229	$ 229
Additional Appropriations			301	301
Taxes	6,743,656			6,743,656
Federal Revenues	5,152,382	21,961	104,134	5,278,477
Federal Pass-Through Revenues	426			426
Licenses, Fees and Permits	79,537	499,722	178	579,437
Interest & Investment Income	83,676	1,251	1,511	86,438
Net Increase (Decrease) Fair Value	(94)			(94)
Land Income	20,505			20,505
Settlement of Claims	43,474			43,474
Sales of Goods and Services	62,327		146,078	208,405
Other Revenues	3,848	15		3,863
Total Revenues	12,189,737	522,949	252,431	12,965,117
EXPENDITURES				
Transportation	3,517,145	3,064	122,953	3,643,162
Capital Outlay	9,015,388	111,885	228,454	9,355,727
Debt Service:				
Principal on State Bonds		105,730	384,050	489,780
Principal on Pass-Through Tolls & Contracts	122,142			122,142
Interest on State Bonds	2,862	233,467	309,273	545,602
Other Financing Fees	560	580		1,140
Total Expenditures	12,658,097	454,726	1,044,730	14,157,553
Excess (Deficiency) of Revenues Over (Under) Expenditures	(468,360)	68,223	(792,299)	(1,192,436)
OTHER FINANCING SOURCES (USES)				
Transfers In (Note 11)	1,838,338		699,292	2,537,630
Transfers Out (Note 11)	(808,695)		(145,765)	(954,460)
Long-Term Debt Issued			325,700	325,700
Premium/Discount on Bonds Issued			300	300
Sale of Capital Assets	13,972		3,555	17,527
Appropriations Lapsed			(73)	(73)
Total Other Financing Sources (Uses)	1,043,615	0	883,009	1,926,624
Net Change in Fund Balances	575,255	68,223	90,710	734,188
Fund Balances, September 1, 2020 as Restated	7,459,034	321,042	256,446	8,036,522
Fund Balances, August 31, 2021	$ 8,034,289	$ 389,265	$ 347,156	$ 8,770,710

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, 2021 (Amounts in Thousands)

Net Change in Fund Balances		$ 734,188
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	$ 9,355,727	
Depreciation and Amortization Expense (Note 2)	(2,241,620)	
		7,114,107
The effect of various miscellaneous transactions involving capital assets is an increase to net position.		
Donations of Capital Assets	55,201	
(Loss) on Sale of Capital Assets	(1,324)	
Sale of Capital Assets	(17,527)	
Interagency Transfers of Capital Assets	(38,465)	
		(2,115)
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	312,626	
OPEB-Related Grant Revenue	129	
Federal Revenue	(859,082)	
Local Revenue	5,070	
Oil & Natural Gas Production Tax Revenue	323,571	
Motor Fuel Tax Revenue	3	
		(217,683)
Bond proceeds provide current financial resources to governmental funds, but increase long-term liabilities in the Statement of Net Position. 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	611,922	
Long-Term Debt Issued	(325,700)	
Premiums on Bonds Issued	(300)	
Net Change in Pollution Remediation Obligation	(4,155)	
Net Change in Employees' Compensable Leave	(3,108)	
		278,659
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	69,976	
Financing Fees	(605)	
Payroll Related Costs	(92,322)	
		(22,951)
Change in Net Position of Governmental Activities		$ 7,884,205

Texas Department of Transportation
Statement of Net Position - Proprietary Funds
August 31, 2021 (Amounts in Thousands)

	Business-Type Activities - Enterprise Funds			
	Central Texas Turnpike System	Grand Parkway Transportation Corporation	SH 249 System	Totals
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Cash and Cash Equivalents	$ 226,996	$ 90,124	$ 12,284	$ 329,404
Restricted:				
Cash and Cash Equivalents	159,803	864,789	43,197	1,067,789
Receivables:				
Accounts Receivable	8,081	16,788	1,068	25,937
Interest and Dividends	367	835		1,202
Due from Other Funds (Note 11)	34,299	10,699	219	45,217
Consumable Inventory	609	164		773
Total Current Assets	430,155	983,399	56,768	1,470,322
Noncurrent Assets:				
Restricted:				
Investments	154,978	87,382		242,360
Investments	39,979	219,411		259,390
Receivables:				
Intangible Assets (Note 20)		3,172,805		3,172,805
Capital Assets:				
Non-Depreciable Capital Assets (Note 2)	817,142		330,575	1,147,717
Depreciable Capital Assets, Net (Note 2)	1,798,072		126,106	1,924,178
Total Noncurrent Assets	2,810,171	3,479,598	456,681	6,746,450
Total Assets	3,240,326	4,462,997	513,449	8,216,772
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows of Resources				
Loss on Bond Refunding (Note 21)	31,998	170,431		202,429
Total Deferred Outflows of Resources	31,998	170,431	0	202,429

Continued on the following page

Texas Department of Transportation
Statement of Net Position - Proprietary Funds
August 31, 2021 (Amounts in Thousands)

	Business-Type Activities - Enterprise Funds			
	Central Texas Turnpike System	Grand Parkway Transportation Corporation	SH 249 System	Totals
LIABILITIES				
Current Liabilities:				
Payables:				
Accounts	18,462	42,257	104	60,823
Interest	3,899	73,117	650	77,666
Due to Other Funds (Note 11)	1,522	6,245		7,767
Unearned Revenues	17,086	4,613		21,699
Notes and Loans Payable (Notes 5)		10,532		10,532
Revenue Bonds Payable (Notes 5, 6)	56,772	26,894	315	83,981
Total Current Liabilities	97,741	163,658	1,069	262,468
Noncurrent Liabilities:				
Notes and Loans Payable (Note 5)		615,861		615,861
Revenue Bonds Payable (Notes 5, 6)	2,874,711	4,274,761	271,460	7,420,932
Total Noncurrent Liabilities	2,874,711	4,890,622	271,460	8,036,793
Total Liabilities	2,972,452	5,054,280	272,529	8,299,261
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources				
Gain on Bond Refunding (Note 21)	26,460			26,460
Total Deferred Inflows of Resources	26,460	0	0	26,460
NET POSITION				
Net Investment in Capital Assets	499,200		253,364	752,564
Restricted for:				
Transportation - Construction			3,099	3,099
Transportation - Operations and Maintenance	90,084	77,923		168,007
Debt Service	215,352	44,208		259,560
Unrestricted	(531,224)	(542,983)	(15,543)	(1,089,750)
Total Net Position	$ 273,412	$ (420,852)	$ 240,920	$ 93,480

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 Revenues, Expenses and Changes in Net Position - Proprietary Funds
For the Fiscal Year Ended August 31, 2021 (Amounts in Thousands)

	Business-Type Activities - Enterprise Funds			
	Central Texas Turnpike System	Grand Parkway Transportation	SH 249 System	Totals
OPERATING REVENUES				
Toll Revenue - Pledged	$ 150,874	$ 189,466	$ 5,768	$ 346,108
Fee Revenue - Pledged	19,192			19,192
Other Sales Goods & Services - Pledged	11,804			11,804
Total Operating Revenues	181,870	189,466	5,768	377,104
OPERATING EXPENSES				
Salaries	2,323	3,104		5,427
Professional Fees and Services	20,088	3,360		23,448
Materials and Supplies	2,480	649		3,129
Communication and Utilities	786	146		932
Repairs and Maintenance	24,471	10,084		34,555
Rentals and Leases	942	2		944
Printing and Reproduction	5	6		11
Contracted Services	46,017	7,811		53,828
Advertising	1,253	98		1,351
Claims and Judgements	15,383			15,383
Depreciation and Amortization	55,523	65,724	323	121,570
Interest Expense	1			1
Fees and Other Charges	4,527	23,831		28,358
Other Operating Expenses	2,089	1,656		3,745
Total Operating Expenses	175,888	116,471	323	292,682
Operating Income	5,982	72,995	5,445	84,422
NONOPERATING REVENUES (EXPENSES)				
Lease Revenue	15			15
Interest and Investment Income	7,025	7,167	419	14,611
Net Decrease in Fair Value of Investments	(98)	(4,790)	(357)	(5,245)
Amortization	11,422	13,614	315	25,351
Interest Expense	(128,085)	(199,169)	(12,646)	(339,900)
Settlement of Claims Revenue	8	10		18
Bond Issuance Expenses		(99)		(99)
Other Financing Fees	(40)	(104)		(144)
Total Nonoperating Revenues (Expenses)	(109,753)	(183,371)	(12,269)	(305,393)
(Loss) before Capital Contributions and Transfers	(103,771)	(110,376)	(6,824)	(220,971)
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital Contributions	2,444		36,079	38,523
Transfers In (Note 11)	352			352
Total Capital Contributions and Transfers	2,796	0	36,079	38,875
Change in Net Position	(100,975)	(110,376)	29,255	(182,096)
Net Position, September 1, 2020	374,387	(310,476)	211,665	275,576
Net Position, August 31, 2021	$ 273,412	$ (420,852)	$ 240,920	$ 93,480

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

Texas Department of Transportation
Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended August 31, 2021 (Amounts in Thousands)

	Business-Type Activities - Enterprise Funds			
	Central Texas Turnpike System	Grand Parkway Transportation Corporation	SH 249 System	Totals
Cash Flows from Operating Activities				
Proceeds from Customers	$ 155,828	$ 179,688	$ 4,481	$ 339,997
Payments to Suppliers for Goods and Services	(89,460)	(49,243)		(138,703)
Net Cash Provided by Operating Activities	66,368	130,445	4,481	201,294
Cash Flows from Non-Capital Financing Activities				
Payments for Principal on Debt		(14,435)		(14,435)
Payments for Debt Interest		(183,003)		(183,003)
Payments for Costs of Debt Issuance		(78)		(78)
Payments for Financing Fees		(154)		(154)
Payments for Intangible Assets		(421,904)		(421,904)
Net Cash (Used) by Non-Capital Financing Activities	0	(619,574)	0	(619,574)
Cash Flows from Capital and Related Financing Activities				
Proceeds from Lease Revenue	17			17
Payments for Purchase of Capital Assets	(51,161)			(51,161)
Payments for Principal on Debt	(36,480)			(36,480)
Payments of Interest on Debt	(93,586)		(7,799)	(101,385)
Payments for Capital Assets			(9,436)	(9,436)
Payments for Interfund Services	(39)			(39)
Net Cash Used by Capital and Related Financing Activities	(181,249)	0	(17,235)	(198,484)
Cash Flows from Investing Activities				
Proceeds from Interest and Investment Income	6,962	8,797	504	16,263
Proceeds from Sales and Maturities of Investments	13,450	555,808	27,900	597,158
Payments to Acquire Investments	(87,500)	(220,143)		(307,643)
Payments for Accrued Interest on Purchase of Investment		(16)		(16)
Proceeds from GSE Settlement		10		10
Net Cash Provided by Investing Activities	(67,088)	344,456	28,404	305,772
Net Increase (Decrease) in Cash and Cash Equivalents	(181,969)	(144,673)	15,650	(310,992)
Cash and Cash Equivalents - September 1, 2020	568,768	1,099,586	39,831	1,708,185
Cash and Cash Equivalents - August 31, 2021	$ 386,799	$ 954,913	$ 55,481	$ 1,397,193

Concluded on the following page

Texas Department of Transportation
Statement of Cash Flows - Proprietary Funds (continued)
For the Fiscal Year Ended August 31, 2021 (Amounts in Thousands)

	Business-Type Activities - Enterprise Funds			
	Central Texas Turnpike System	Grand Parkway Transportation Corporation	SH 249 System	Totals
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating Income	$ 5,982	$ 72,995	$ 5,768	$ 84,745
Depreciation and Amortizaton	55,523	65,724	323	121,570
Other non-cash operating costs	351			351
Changes in Assets and Liabilities:				
(Increase) Decrease in Receivables	1,658	(3,809)	(1,068)	(3,219)
Decrease in Inventories	1,708	404		2,112
Increase (Decrease) in Payables	16,515	(466)		16,049
Increase (Decrease) in Due to Other Funds	(3,838)	1,566		(2,272)
(Increase) in Amounts Due from Other Fund	(11,531)	(5,969)	(219)	(17,719)
Total Adjustments	60,386	57,450	(964)	116,872
Net Cash Provided by Operating Activities	$ 66,368	$ 130,445	$ 4,804	201,617
Non-Cash Transactions				
Transfer in of Capital Assets from Other Fund	$ 2,444		$ 36,079	$ 38,523
Net Change in Fair Market Value of Investments	$ (98)	$ (4,790)	$ (357)	$ (5,245)
Amortization of Investment Premium/Discount		$ 286	$ 315	$ 601
Change in Accrued Capital Asset Purchases	$ 15,961		$ (1,494)	$ 14,467
Change in Accrued Intangible Asset Purchases		$ (58,624)		$ (58,624)
Accretion on Bonds Payable	$ (33,494)	$ (23,687)		$ (57,181)
Amortization on Bonds Payable	$ 11,422	$ 18,940		$ 30,362
Increase (Decrease) in Unearned Revenue	$ (653)	$ 261		$ (392)
Amortization of Deferred Inflow/Outflow	$ (1,005)	$ (5,326)		$ (6,331)
Accrued settlement	$ 8			$ 8

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

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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 2021, 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 2021

In fiscal 2021 TxDOT adopted the following new GASB pronouncements:

- *GASB Statement No.92, Omnibus 2020.* This statement addresses a variety of topics including leases, intra-entity transfers of assets, pensions, OPEB, fiduciary activities, ARO, public entity risk pools, nonrecurring fair value measurements, and derivative instruments. *GASB Statement No.95, Postponement of the Effective Dates of Certain Authoritative Guidance*, postpones the effective date of GASB 92, due to Covid-19 pandemic, from fiscal 2021 to 2022, except for paragraphs 11 and 13, which are effective in fiscal 2021. TxDOT decided to early implement the GASB Statement 92 in fiscal 2021.

- *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. The statement is effective in fiscal 2021, except for 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. These paragraphs will be effective for fiscal 2022.

- *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.* Paragraphs 4 on the absence of a governing board in determining financial accountability and paragraph 5 related to the applicability of financial burden criterion in paragraph 7 of the GASB Statement 84 are effective in fiscal 2021. The effective date of other paragraphs is postponed 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. 98, The Annual Comprehensive Financial Report.* This statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*. The new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The Statement is effective for fiscal 2022. TxDOT early implemented the GASB Statement 98 in fiscal 2021.

- *GASB Implementation Guide No. 2019-1, Implementation Guidance Update – 2019.* This Implementation Guide provides guidance that clarifies, explains, or elaborates on GASB Statements. It amends questions in *Implementation Guide No. 2015-1* and Implementation Guide No. 2017-2, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. Questions in the 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. The implementation of this Implementation Guide resulted in a change in accounting principle in the recognition of federal receivables, for which the allowable costs are recognized only after the grant agreement is executed. A restatement of $94.5 million of the beginning fund balance of the State Highway Fund was resulted due to the implementation of the Implementation Guide. See details of the restatement in Note 14.

- *GASB Implementation Guide No. 2019-2, Fiduciary Activities.* This Implementation Guide provides guidance that clarifies, explains, or elaborates on the requirements of Statement No. 84, *Fiduciary Activities*. It supersedes *Implementation Guide No, 2015-1*, Questions 6.6.1 and 7.81.2. It also amends questions in Implementation Guide No. 2015-1, Implementation Guide No. 2016-1, *Implementation Guide Update-2016,* and Implementation Guide No. 2017-2, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.*

Financial Reporting Structure

The basic financial statements include government-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 government-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 86th 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. The fund was reclassified from a major capital projects fund to a nonmajor capital projects fund during fisca12021.

- 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 and I 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 GrandParkway 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.

Original/Additional Appropriations

Amount reported as revenue that is the total appropriation authority given to TxDOT for the current fiscal year.

Appropriations Lapsed

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, Liabilities, Deferred Inflows and Fund Balances/Net Position

Cash and Cash Equivalents

The statement of cash flows for proprietary funds 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.

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, 2020 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. See Note 21 for additional information.

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:

Capitalization Thresholds by Class of Asset **Classification**	**Capitalization Threshold**	**Estimated Useful Life**
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

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.

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. 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, 2021, 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 2021 is mainly comprised of $150.9 million in toll revenue. This represents $122.0 million in gross toll revenue, plus a decrease in allowance for doubtful accounts of $28.9 million. CTTS also earned toll fees of $19.2 million and other sales revenue of $11.8 million.

GPTC operating revenues for fiscal 2021 consist of $189.4 million in toll revenue earned by open Segments D, E, F-1, F-2 and G. This represents $184.4 million in gross toll revenue, plus a decrease in allowance for doubtful accounts of $5.0 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, adjustments, reclassifications, additions and deletions during fiscal 2021. The reclassifications column presents completed construction projects and transfers of capital assets between agencies and between the governmental and business-type activities of TxDOT. The additions column includes current year purchases, depreciation and amortization. The deletions column represents assets removed during the current fiscal year via sale or disposition.

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

Capital Asset Activity

For the Fiscal Year Ended August 31, 2021 (Amounts in Thousands)

	Beginning Balance 9/1/2020	Reclassifications	Additions	Deletions	Ending Balance 8/31/2021
GOVERNMENTAL ACTIVITIES					
Non-Depreciable & Non-Amortizable Assets					
Land and Land Improvements	$ 15,666,188	$ (170)	$ 1,177,245	$ (2,628)	$ 16,840,635
Construction in Progress	19,644,639	(5,861,171)	8,182,308		21,965,776
Land Use Rights - Permanent	67,648		19,507	(50)	87,105
Total Non-Depreciable & Non-Amortizable Assets	35,378,475	(5,861,341)	9,379,060	(2,678)	38,893,516
Depreciable Assets					
Buildings and Building Improvements	606,103	52,236		(138)	658,201
Infrastructure	107,660,132	5,770,581	966,359	(4,030)	114,393,042
Furniture and Equipment	229,094	(61)	14,732	(19,804)	223,961
Vehicles and Aircraft	931,547	89	54,563	(37,651)	948,548
Other Capital Assets	16,191				16,191
Total Depreciable Assets	109,443,067	5,822,845	1,035,654	(61,623)	116,239,943
Less Accumulated Depreciation for:					
Buildings and Building Improvements	(333,180)		(20,929)	131	(353,978)
Infrastructure	(24,460,172)		(2,148,951)	107	(26,609,016)
Furniture and Equipment	(159,787)	88	(13,868)	17,117	(156,450)
Vehicles and Aircraft	(537,504)	(57)	(52,606)	28,093	(562,074)
Other Capital Assets	(10,136)		(776)		(10,912)
Total Accumulated Depreciation	(25,500,779)	31	(2,237,130)	45,448	(27,692,430)
Depreciable Assets, Net	83,942,288	5,822,876	(1,201,476)	(16,175)	88,547,513
Intangible Capital Assets - Amortizable					
Land Use Rights - Term	890		348	(124)	1,114
Computer Software	59,276		2,174		61,450
Total Amortizable Assets	60,166	0	2,522	(124)	62,564
Less Accumulated Amortization for:					
Land Use Rights - Term	(454)		(184)	124	(514)
Computer Software	(46,307)		(4,306)		(50,613)
Total Accumulated Amortization	(46,761)	0	(4,490)	124	(51,127)
Amortizable Assets, Net	13,405	0	(1,968)	0	11,437
Governmental Activities Capital Assets, Net	$ 119,334,168	$ (38,465)	$ 8,175,616	$ (18,853)	$ 127,452,466

Capital Asset Activity (Concluded)

For the Fiscal Year Ended August 31, 2021 (Amounts in Thousands)

	Beginning Balance 9/1/2020	Reclassifications	Additions	Deletions	Ending Balance 8/31/2021
BUSINESS-TYPE ACTIVITIES					
Non-Depreciable & Non-Amortizable Assets					
Land and Land Improvements	$ 725,374	$ 167	$ 559	$	$ 726,100
Construction in Progress	502,373	(142,804)	42,582		402,151
Land Use Rights - Permanent	19,466				19,466
Total Non-Depreciable & Non-Amortizable Assets	1,247,213	(142,637)	43,141	0	1,147,717
Depreciable Assets					
Buildings and Building Improvements	8,360				8,360
Infrastructure	2,291,953	126,839			2,418,792
Total Depreciable Assets	2,300,313	126,839	0	0	2,427,152
Less Accumulated Depreciation for:					
Buildings and Building Improvements	(5,200)		(361)		(5,561)
Infrastructure	(496,250)		(54,580)		(550,830)
Total Accumulated Depreciation	(501,450)	0	(54,941)	0	(556,391)
Depreciable Assets, Net	1,798,863	126,839	(54,941)	0	1,870,761
Intangible Capital Assets - Amortizable					
Computer Software		54,322			54,322
Total Amortizable Assets	0	54,322	0	0	54,322
Less Accumulated Amortization for:					
Computer Software			(905)		(905)
Total Accumulated Amortization	0	0	(905)	0	(905)
Amortizable Assets, Net	0	54,322	(905)	0	53,417
Business-Type Activities Capital Assets, Net	$ 3,046,076	$ 38,524	$ (12,705)	$ 0	$ 3,071,895

N*OTE 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.

Cash In Bank – Carrying Amount August 31, 2021 (Amounts in Thousands)		
Governmental Activities		
Governmental Funds Current Assets Cash In Bank - Depository Accounts	$	2,186
Business-Type Activities		
Business Type Funds (CTTS) Current Assets Cash -Depository Accounts	$	2,356

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, 2021, 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 $9.2 billion at Aug. 31, 2021.

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 2021. 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, 2021, the measurements of TxDOT's investments are summarized below:

Investment Valuation
August 31, 2021 (Amounts in Thousands)

Investment Type	Fair Value Hierarchy Level 1	Other Measurement Method	Total
Governmental Activities			
Money Market Mutual Funds	$	$ 80,198	$ 80,198
U.S. Government Agency Obligations	19,965		19,965
Government Investment Pools		48,776	48,776
Total Governmental Activities	$ 19,965	$ 128,974	$ 148,939
Business Type Activities			
Money Market Mutual Funds	$	$ 160,906	$ 160,906
U.S. Treasuries	102,365		102,365
U.S. Government Agency Obligations	284,386		284,386
Government Investment Pools		1,125,043	1,125,043
Repurchase Agreements		223,887	223,887
Total Business-Type Activities	$ 386,751	$ 1,509,836	$ 1,896,587

Government securities and government sponsored entity investments of $406.7 million with maturities of one year or more are valued at quoted market prices (Level 1 input).

As of Aug. 31, 2021, TxDOT and GPTC also have the following two types 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 $1.5 billion with maturities less than one year valued at amortized cost.

- TxDOT entered a repurchase agreement of $115.0 million in August 2002 with U.S. Government and Agency securities. Collateral for the repurchase agreement is held by the Bank of New York Mellon Trust Company (the trustee bank) with the underlying securities being the property of the Citigroup Global Markets Inc. (the direct counterparty), held in trust for TxDOT. TxDOT can direct the trustee bank to designate repurchase dates on any business day on or before the final repurchase date in August 2022. The agreement is measured at 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.

As of Aug. 31, 2021, TxDOT's long term repurchase agreement is collateralized with U.S. Government and agency securities. Collateral for the repurchase agreement is held by the Bank of New York Mellon Trust Company with the underlying securities being the property of the Citigroup Global Markets Inc., (the direct counterparty), held in trust for TxDOT. Citigroup Global Markets Inc. is rated A1, A+ and A+ as of Aug. 31, 2021 by Moody's, Standard and Poor's (S & P), and Fitch Ratings respectively.

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's (NRSRO). All investments made by TxDOT and GPTC have been through the list of qualified financial institutions approved by TxDOT and GPTC.

TxDOT's policy does not limit the amount of investment in obligations of the United States or its agencies. The long term repurchase agreement is a guaranteed investment contract (GIC) with Citigroup Global Markets Inc. as the counterparty. Citigroup Global Markets Inc. has collateralized the GIC with U.S. Government and agency securities.

As of Aug. 31, 2021, TxDOT's and GPTC's investments had the following ratings:

Investment Credit Ratings
August 31, 2021 (Amounts in Thousands)

Investment Type	Valuation	Moody's	Standard & Poor's	Fitch
Governmental Activities				
Money Market Mutual Funds				
Fidelity Treasury Money Market Fund	$ 10,038	AAA-mf	AAAm	NR
BlackRock Federal Funds	8,830	Aaa-mf	AAAm	NR
Morgan Stanley Instl Liquidity Government Funds	61,330	Aaa-mf	AAAm	AAAmmf
Government Sponsored Entities				
Federal National Mortgage Association	4,970	Aaa	AA+	AAA
Federal Home Loan Mortgage Corporation	14,995	Aaa	AA+	AAA
Government Investment Pools				
Logic	48,776	NR	AAAm	NR
Total Governmental Activities	$ 148,939			
Business-Type Activities				
Money Market Mutual Funds				
Dreyfus Government Fund	$ 2,200	Aaa-mf	AAAm	AAAmmf
JPMorgan US Government Fund	84,421	Aaa-mf	AAAm	AAAmmf
Morgan Stanley Instl Liquidity Government Fund	57,881	Aaa-mf	AAAm	AAAmmf
Goldman Sachs Financial Square Government Fund	16,404	Aaa-mf	AAAm	NR
Government Sponsored Entities				
Federal Home Loan Bank	139,378	Aaa	AA+	NR
Federal Home Loan Mortgage Corporation	145,008	Aaa	AA+	AAA
Government Securities				
U.S. Treasury Notes	102,365	Aaa	AA+u	AAA
Government Investment Pools				
TexPool	39,078	NR	AAAm	NR
TexPool Prime	1,085,965	NR	AAAm	NR
Repurchase Agreement				
Long term (Citigroup GIC)	114,999	A1	A+	A+
Repo (TTSTC)	108,888	NR	AAAf	NR
Total Business-Type Activities	$ 1,896,587			

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 the funds 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, 2021, the following investments exceeded five percent of the total portfolio: Money Market Funds, Federal Home Loan Bank, Federal Home Loan Bank Mortgage Company, U.S. Treasury Notes, Repurchase Agreements, TexPool 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 loan receivable balances as of Aug. 31, 2021 are as follows.

Loans and Contracts
August 31, 2021 (Amounts in Thousands)

Fund	Loans Receivable	Due Within One Year
Highway Fund - Toll Equity and Project Loans	93,222	1,997
Highway Fund - NTTA	102,315	11,025
Highway Fund - State Infrastructure Bank	150,111	6,153
Governmental Funds Total	$ 345,648	$ 19,175

NOTE 5 – LONG-TERM LIABILITIES

Long-Term Liabilities

Long-term liabilities for fiscal 2021 are presented in the table below:

Long-Term Liabilities Activity
For the Fiscal Year Ended August 31, 2021 (Amounts in Thousands)

Primary Government	Beginning Balance 9/01/2020	Adjustments*	Reductions	Additions**	Ending Balance 8/31/2021	Amounts Due Within One Year	Amounts Due Thereafter
Governmental Activities							
Compensable Leave	$ 110,549	$	$ (121,242)	$ 124,350	$ 113,657	$ 81,471	$ 32,186
General Obligation Bonds	10,068,643	(62,246)	(241,165)		9,765,232	338,738	9,426,494
General Obligation Bonds - Direct Placements	284,927	(1,986)			282,941	1,986	280,955
Revenue Bonds	3,791,482	(42,992)	(248,615)		3,499,875	447,053	3,052,822
Revenue Bonds - Direct Placements	150,000				150,000		150,000
Pollution Remediation Obligations	6,019		(10,367)	14,522	10,174	10,174	
Pass Through Tolls Payable	681,152	(4,291)	(110,142)	17,626	584,345	142,351	441,994
Notes and Loans - Direct Borrowings	313,754	276		333,843	647,873	13,440	634,433
Contracts Payable	40,000		(12,000)		28,000	4,000	24,000
Governmental Activities - Long-Term Liabilities	$ 15,446,526	$ (111,239)	$ (743,531)	$ 490,341	$ 15,082,097	$ 1,039,213	$ 14,042,884
Business-Type Activities							
Revenue Bonds Payable	$ 7,430,172	$ (20,147)	$ (50,915)	$ 62,028	$ 7,421,138	$ 83,981	$ 7,337,157
Revenue Bonds - Direct Placements	83,775				83,775		83,775
Notes and Loans Payable	636,925	(10,532)			626,393	10,532	615,861
Business-Type Activities - Long-Term Liabilities	$ 8,150,872	$ (30,679)	$ (50,915)	$ 62,028	$ 8,131,306	$ 94,513	$ 8,036,793

* Includes new issue premium and current year amortization of premiums and discounts.
**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 eight 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, 2021, 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 $ 321.9 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%) 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 2021. The bond will be paid in full in 20 years, or 2041.

The outstanding direct loan of $325.9 million, which includes an unamortized premium of $275 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, 2021, the note's debt service requirements for governmental activity notes and loans payable are as follows.

Notes and Loans - Direct Borrowing Loans (Amounts in Thousands) Debt Service Requirements			
		Governmental Activities	
Year	Principal	Interest*	Total
2022	$ 13,415	$ 11,362	$ 24,777
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
2027-2031	96,500	68,434	164,934
2032-2036	139,513	55,592	195,105
2037-2041	192,693	34,630	227,323
2042-2046	71,709	15,034	86,743
2047-2051	64,813	6,905	71,718
2052	13,984	361	14,345
Total	$ 648,997	$ 251,881	$ 900,878
Unamortized Premium	275		275
Unamortized Accretion	(1,399)		(1,399)
Total Requirements	$ 647,873	$ 251,881	$ 899,754
*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, 2021, the note's debt service requirements are as follows.

BANs – Debt Service Requirements (Amounts in Thousands)			
Business-Type Activities			
Year	Principal	Interest*	Total
2022	$	$ 30,267	$ 30,267
2023	605,330	25,222	630,552
Total	$ 605,330	$ 55,489	$ 660,819
Unamortized Premium	21,063		21,063
Total Requirements	$ 626,393	$ 55,489	$ 681,882
* 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	$ 8,838,833	$ 5,049,886	$ 4,578,422	$ 16,319,189	$ 730,328
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%	99%	95%
Current Year Pledged Revenue	$ 522,949	$ 9,888,208 *	$ 188,309	$ 194,879	$ 5,860
Current Year Principal and Interest Paid	$ 339,197	$ 411,404	$ 130,066	$ 197,438	$ 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, 2021, 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, 2021 are as follows.

Pass-Through Tolls Payable - Debt Service Requirements
(Amounts in Thousands)

Governmental Activities Year	Principal
2022	$ 142,351
2023	111,319
2024	87,613
2025	74,260
2026	60,880
2027-2031	118,988
Total **	$ 595,411
Unrealized Payable	(11,066)
Total Requirements*	$ 584,345

* 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.

Contracts Payable – Debt Service Requirements
(Amounts in Thousands)

Governmental Activities Year		**Principal**
2022	$	4,000
2023		4,000
2024		4,000
2025		4,000
2026		4,000
2027-2031		8,000
Total Requirements*	$	28,000

*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.

Pollution Remediation Obligations - Disaggregation of Total Liability (Amounts in Thousands)
As of August 31, 2021

Governmental Activities		**Obligation Amount**
Comply with Federal and State asbestos requirements	$	4,157
Comply with Federal and State OSHA requirements for lead based paint		1,456
Comply with Federal Safe Drinking Water Act requirements		199
Comply with State Leaking Petroleum Storage Tank (LPST) cleanup requirements		1,356
Comply with OSHA Health and Safety Plan (HASP) requirements		819
Comply with Waste Disposal regulations		2,187
Total	$	10,174

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.

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, 2021, the Commission had 35 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, 2021. The Grand Parkway Transportation Corporation (GPTC), another blended component unit of TxDOT, had nine revenue bond issuances outstanding as of Aug. 31, 2021. 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 Issued to Date	Date Issued	Range of Interest Rates		Maturities First Year	Maturities Last Year	First Call 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 SIFMA Bonds	250,000	12/18/2014	variable		2041	2041	10/01/2021
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-B1 Variable Rate Bonds	150,000	04/03/2017	variable		2032	2032	*
Series 2014-B2 LIBOR Bonds	150,000	04/03/2017	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 Hard Put Refunding Bonds	89,370	10/26/2016	4.00%	4.00%	2025	2026	10/01/2021
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.

Miscellaneous Bond Information (Concluded)
(Amounts in Thousands)

Description of Issue	Bonds Issued to Date	Date Issued	Range of Interest Rates		Maturities First Year	Maturities Last Year	First Call Date
BUSINESS-TYPE ACTIVITIES							
Revenue Bonds							
Central Texas Turnpike System							
First Tier Revenue Bonds Series 2002-A							
Non-Callable Capital Appreciation Bonds***	$ 737,267	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	198,025	02/04/2015	5.00%	5.00%	2032	2037	08/15/2024
First Tier Revenue Refunding Bonds, Series 2015-B Capital Appreciation Bonds***	123,067	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 Put Bonds Taxable, Series 2020-B	225,000	03/05/2020	1.98%	1.98%	2041	2042	08/15/2022
First Tier Revenue Refunding Bonds Taxable, Series 2020-C	279,305	03/05/2020	3.03%	3.03%	2031	2041	08/15/2030
Grand Parkway Transportation Corporation							
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***	435,360	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
SH249 System							
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***	104,132	02/26/2019	3.39%	5.10%	2028	2053	02/01/2029
First Tier Toll Revenue Bonds, Taxable Series 2019B	12,795	02/26/2019	4.55%	4.70%	2030	2033	02/01/2029
Business-Type Activities Total	9,475,860						
Total	$ 27,376,070						

* Bonds are subject to redemption prior to their respective maturities at the option of the Commission.
**These bonds are not outstanding as of 08/31/2021.
*** Bonds issued to date include interest accreted to principal.

Changes in Bonds Payable (Amounts in Thousands)
For the Fiscal Year Ended August 31, 2021

Description	Bonds Outstanding 8/31/2020	Adjustments*	Bonds Issued**	Bonds Matured or Retired	Bonds Outstanding 8/31/2021	Due Within One Year
Governmental Activities:						
General Obligation Bonds	$ 10,068,643	$ (62,246)	$	$ (241,165)	$ 9,765,232	$ 338,738
General Obligation Bonds - Direct Placements	284,927	(1,986)			282,941	1,986
Revenue Bonds	3,791,482	(42,992)		(248,615)	3,499,875	447,053
Revenue Bonds - Direct Placements	150,000				150,000	
Total Governmental Activities	14,295,052	(107,224)		(489,780)	13,698,048	787,777
Business-Type Activities:						
Revenue Bonds	7,430,172	(20,147)	62,028	(50,915)	7,421,138	83,980
Revenue Bonds - Direct Placements	83,775				83,775	
Total Business-Type Activities	7,513,947	(20,147)	62,028	(50,915)	7,504,913	83,980
Total	$ 21,808,999	$ (127,371)	$ 62,028	$ (540,695)	$ 21,202,961	$ 871,757

*Includes current year amortization of premiums and discounts.

** Includes current year amortization of 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, 2021, 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, 2021, 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 $282.9 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, 2021, 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.

Debt Service Requirements – Governmental Activities
(Amounts in Thousands)

General Obligation Bonds			
Year	**Principal**	**Interest**	**Total**
2022	$ 279,465	$ 372,016	$ 651,481
2023	295,420	359,223	654,643
2924	312,340	345,544	657,884
2025	330,290	331,744	662,034
2026	349,305	314,553	663,858
2027-2031	1,919,895	1,343,404	3,263,299
2032-2036	2,339,430	905,098	3,244,528
2037-2041	2,358,435	390,986	2,749,421
2042-2046	983,070	70,614	1,053,684
	9,167,650	4,433,182	13,600,832
Premium	597,582		597,582
Total	$ 9,765,232	$ 4,433,182	$ 14,198,414

Debt Service Requirements – Governmental Activities (Amounts in Thousands)			
General Obligation Bonds - Direct Placements			
Year	**Principal**	**Interest**	**Total**
2022	$	$ 12,705	$ 12,705
2023		12,705	12,705
2924		12,705	12,705
2025		12,705	12,705
2026		12,705	12,705
2027-2031		63,527	63,527
2032-2036	144,120	48,347	192,467
2037-2041	109,985	2,750	112,735
	254,105	178,149	432,254
Premium	28,836		28,836
Total	$ 282,941	$ 178,149	$ 461,090

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, 2021, 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.

The series 2014-B2 outstanding balance of $150.0 million is from direct placements.

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

Debt Service Requirements – Governmental Activities (Amounts in Thousands)			
Revenue Bonds			
Year	**Principal**	**Interest**	**Total**
2022	$ 260,480	$ 152,951	$ 413,431
2023	271,155	142,280	413,435
2024	283,420	128,847	412,267
2025	298,350	113,586	411,936
2026	313,400	98,049	411,449
2027-2031	1,488,540	252,368	1,740,908
2032-2036	409,065	26,367	435,432
	3,324,410	914,448	4,238,858
Premium	175,465		175,465
Total	$ 3,499,875	$ 914,448	$ 4,414,323

Debt Service Requirements – Governmental Activities (Amounts in Thousands)			
Revenue Bonds - Direct Placements			
Year	**Principal**	**Interest**	**Total**
2022	$	$ 1,141	$ 1,141
2023		1,141	1,141
2024		1,144	1,144
2025		1,140	1,140
2026		1,140	1,140
2027-2031	68,705	5,706	74,411
2032-2036	81,295	620	81,915
Total	$ 150,000	$ 12,032	$ 162,032

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 rights.

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.

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:

(iii) 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.

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.

Debt Service Requirements – Business-Type Activities
(Amounts in Thousands)

Revenue Bonds

Year	Principal	Interest	Total
2022	$ 63,835	$ 244,613	$ 308,448
2023	73,095	248,754	321,849
2024	82,465	262,061	344,526
2025	75,435	275,331	350,766
2026	89,855	274,672	364,527
2027-2031	602,410	1,362,052	1,964,462
2032-2036	1,104,560	1,215,975	2,320,535
2037-2041	1,748,015	936,972	2,684,987
2042-2046	1,160,280	595,313	1,755,593
2047-2051	1,543,695	337,765	1,881,460
2052-2056	1,033,825	59,194	1,093,019
2055-2059	32,360	1,618	33,978
	7,609,830	5,814,320	13,424,150
Accretion	(563,836)		(563,836)
Premium	375,688		375,688
Discount	(544)		(544)
Total	$ 7,421,138	$ 5,814,320	$ 13,235,458

Debt Service Requirements – Business-Type Activities
(Amounts in Thousands)

Revenue Bonds - Direct Placements

Year	Principal	Interest	Total
2022	$	$ 1,843	$ 1,843
2023		1,843	1,843
2024	83,775	927	84,702
Total	$ 83,775	$ 4,613	$ 88,388

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 2021. See the table below for details on the Commission's Direct Payment BABs outstanding at Aug. 31, 2021.

Direct Payment Build America Bonds (Amounts in Thousands)			
	Issue Date	**Par Amount**	**Outstanding**
Governmental Activities			
General Obligation Bonds			
Texas Mobility Fund Series 2009-A	8/26/2009	$ 1,208,075	$ 1,207,345
Texas Highway Improvement Bonds Series 2010-A	9/29/2010	815,420	730,480
Revenue Bonds			
State Highway Fund Series 2010	8/05/2010	1,500,000	1,500,000
Governmental Activities Total		$ 3,523,495	$ 3,437,825

Variable Rate Bonds

The Commission and GPTC have four variable rate bond issues outstanding at Aug. 31, 2021. The interest rates in effect as of Aug. 31, 2021 for the Texas Mobility Fund Series 2006-B, Texas Mobility Fund Series 2014-B, State Highway Fund Series 2014-B1 and State Highway Fund Series 2014-B2 used to calculate the debt service requirements were .02, .32, .03, and .75 percent, respectively. These rates reset every seven days, except for the State Highway Fund Series 2014-B2 bonds which resets monthly.

Variable Rate Put Bonds

The Commission has two variable rate put bond issues outstanding, the Texas Mobility Fund Series 2014-B bonds and the State Highway Fund Series 2014-B2 bonds. The Texas Mobility Fund Series 2014-B bonds bear interest at the initial index floating rate determined weekly. The State Highway Fund Series 2014-B2 bonds bear interest at the index floating rate determined monthly. Both are subject to mandatory tender for purchase on the mandatory tender date as specified in each award certificate. Neither is subject to optional tender prior to the mandatory tender date.

The Commission has not provided any credit or liquidity facility for the payment of the purchase price of the bonds payable upon the mandatory tender date for either bond issue. For the Texas Mobility Fund Series 2014-B bonds, the Commission expects to either redeem or remarket the bonds. The obligation of the Commission to purchase the Texas Mobility Fund Series 2014-B bonds on the mandatory tender date is subject to the successful remarketing of such Texas Mobility Fund Series 2014-B bonds and a failed conversion and remarketing will not constitute an event of default. The Commission has no obligation to purchase Texas Mobility Fund Series 2014-B bonds except from remarketing proceeds. If the Texas Mobility Fund Series 2014-B bonds are not remarketed or refunded on the mandatory tender date, the bonds will bear interest at the stepped coupon rate of 8.0 percent per annum from the mandatory tender date until purchased or redeemed.

For the State Highway Fund Series 2014-B2 bonds, the Commission expects to either redeem or remarket the bonds. The obligation of the Commission to purchase the State Highway Fund Series 2014-B2 bonds on the mandatory tender date is subject to the successful remarketing of such State Highway Fund Series 2014-B2 bonds. A failed conversion and remarketing will not constitute an event of default. The Commission has no obligation to purchase the State Highway Fund Series 2014-B2 bonds except from remarketing proceeds. If the State Highway Fund Series 2014-B2 bonds are not remarketed or refunded on the mandatory tender date, the bonds will bear interest at 8.0 percent per annum from the mandatory tender date until purchased or redeemed.

Fixed Rate Put Bonds

The Commission has two fixed rate put bond issues outstanding, the State Highway Fund Series 2016-B bonds and the Central Texas Turnpike System Series 2020-B bonds. Both bonds were issued in a multiannual rate mode. Both are subject to mandatory tender for purchase on the initial mandatory tender date. Neither is subject to optional tender prior to the mandatory tender date.

The Commission has not provided any credit or liquidity facility for the payment of the purchase price of the bonds payable upon the mandatory tender date for either bond. For the State Highway Fund Series 2016-B bonds, the Commission is obligated to pay the purchase price of all tendered 2016-B bonds on the mandatory tender date from the remarketing proceeds, pledged revenues, or any combination thereof. Failure to do so constitutes an event of default.

For the Central Texas Turnpike System Series 2020-B bonds, the principal portion of the purchase price is expected to be obtained from the remarketing thereof. The obligation of the Commission to purchase the 2020-B 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 Central Texas Turnpike System Series 2020-B bonds except from remarketing proceeds. If the Series 2020-B bonds are not remarketed or refunded on the mandatory tender date, the bonds will bear interest at the stepped coupon rate of 9.0 percent per annum from the mandatory tender date until purchased or redeemed.

Demand Bonds

The Texas Mobility Fund Series 2006-B and the State Highway Fund Series 2014-B1 variable rate bonds are 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, 2021.

Demand Bonds – Standby Bond Purchase Agreement Provisions (Amounts in Thousands)

Governmental Activities	Principal Balance Outstanding	Counterparties	Annual Liquidity Fee	Agreement Termination Date
General Obligation Bonds				
Texas Mobility Fund				
Series 2006-B	$150,000	Texas Comptroller of Public Accounts	0.12%	8/31/2023
Revenue Bonds				
State Highway Fund				
Series 2014-B1	150,000	Sumitomo Mitsui Banking Corporation	0.3% - 3.0%*	4/01/2022
TOTAL	$300,000			

* 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 2021, 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-B1 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-B1 is classified as a current liability as the agreement in place is set to expire in the next fiscal year. The table shown below provides the estimated impact of such an event.

Demand Bonds – Takeout Provisions (Amounts in Thousands)				
Governmental Activities	**Estimated Debt Service**	**Rate**	**Basis**	**Replacement Debt Terms**
Revenue Bonds				
State Highway Fund				
Series 2014-B1	$ 174,921	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	$ 174,921			

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, 2021, the amounts of defeased bonds, at par, that remain outstanding are presented in the table below.

Defeased Bonds Outstanding (Amounts in Thousands)			
Description of Issue			
Governmental Activities	**Year Defeased**	**Par Value Outstanding**	
General Obligation Bonds			
Texas Mobility Fund Series 2014 Fixed Rate Refunding Bonds	2020	$	380,815
Texas Mobility Fund Series 2014-A Fixed Rate Refunding Bonc	2020		690,760
Highway Improvement Bonds Series 2012-A Fixed Rate Bonds	2019		621,550
Highway Improvement Bonds Series 2012-A Fixed Rate Bonds	2020		124,710
Highway Improvement Bonds Series 2014 Fixed Rate Bonds	2019		84,000
Highway Improvement Bonds Series 2014 Fixed Rate Bonds	2020		672,000
Revenue Bonds			
State Highway Fund Series 2014-A Fixed Rate Refunding Bonds	2020		358,625
Total Governmental Activities		$	2,932,460
Business-Type Activities			
Central Texas Turnpike System Revenue Bonds			
Series 2002-A Capital Appreciation Bonds*	2015	$	31,957
Series 2012-A Revenue Refunding Bonds	2020		462,095
Grand Parkway Transportation Bonds			
Series 2013-A Revenue Refunding Bonds	2020		152,270
Series 2013-B Current Interest Bonds	2020		1,137,935
Total Business-Type Activities		$	1,784,257
Total		$	4,716,717

* Includes $20,867 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, 2021, 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	Maturities Last Year	First Call Date
LBJ Infrastructure Group LLC IH-635 Managed Lanes Project							
Series 2010*	$	615,000	6/22/2010	7.00% - 7.50%	2032	2040	6/30/2020
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	**

* These bonds are no longer outstanding at 8/31/2021.

** Bonds are subject to redemption prior to their respective maturities at the option of NTE Mobility Partners.

Conduit Debt Obligations – Debt Service (Amounts in Thousands)			
TxPABST Bonds – Conduit Debt			
Year	**Principal**	**Interest**	**Total**
2022	$	$ 136,362	$ 136,362
2023		136,362	136,362
2024		136,362	136,362
2025		136,362	136,362
2026	3,515	136,362	139,877
2027-2031	72,260	679,844	752,104
2032-2036	468,195	620,943	1,089,138
2037-2041	693,405	481,354	1,174,759
2042-2046	543,735	333,515	877,250
2047-2051	638,530	203,781	842,311
2052-2056	386,350	89,403	475,753
2057-2060	141,950	8,982	150,932
	2,947,940	3,099,632	6,047,572
Premium	244,358		244,358
Discount	(1,670)		(1,670)
Total	$ 3,190,628	$ 3,099,632	$ 6,290,260

On Sept. 18, 2020, TxPABST issued Revenue Refunding Bonds, Series 2020-A and Series 2020-B, the proceeds were used to refund the Series 2010 bonds. The Series 2020-A and Series 2020-B bonds were issued with par amounts of $537.5 million and $7.0 million, respectively. The premium associated with the Series 2020-A bonds was $77.5 million and the cost of issuance and underwriter's discount associated with the Series 2020-B amounted to $7.0 million resulting in net proceeds of $615.0 million.

Conduit Debt Refunding Issues (Amounts in Thousands)						
Description	**Type of Refunding**	**Par Value Refunded**	**Par Value of Refunding Issue**		**Cash Flow Increase/ (Decrease)**	**Economic Gain/(Loss)**
Texas Private Activity Bond Surface Transportation Corporation						
LBJ Infrastructure Group LLC			Series 2019-A	Series 2019-B		
IH-635 Managed Lanes Project Series 2010	Advance	$ 615,000	$ 537,510	$ 7,025	$ 428,508	$ 331,841
Total		$ 615,000	$ 537,510	$ 7,025	$ 428,508	$ 331,841

NOTE 7– LEASES

Operating Leases

To minimize long-term costs, and to ensure future availability of essential services, TxDOT, in routine transactions, enters into leases which extend beyond a single fiscal year. Rental expenditures for operating leases reported in the state highway fund was $42.3 million in 2021.

The following table presents future minimum lease rental payments under non-cancelable operating leases having an initial term in excess of one year as of August 31, 2021.

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Noncancelable Operating Lease Obligations
(Amounts in Thousands)

Fiscal Year	Total Operating Leases
2022	$ 5,563
2023	2,703
2024	1,963
2025	1,818
2026	1,102
2027-2031	779
Total	$ 13,928

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, 2020 is presented in the table below:

Texas Department of Transportation's Membership	
Retirees and Beneficiaries Currently Receiving Benefits	14,560
Terminated Employees Entitled to Benefits But Not Yet Receiving Them	7,007
Current Employees - Vested and Non-Vested	12,825
Total Members	34,392

The contribution rates for the state and the members for the ERS plan for the measurement period of fiscal 2020 are presented as follows:

Required Contribution Rates

		Employer			Members		
Fiscal Year	Plan	Employee Class	Elected Class – Legislators	Elected Class – Other	Employee Class	Elected Class – Legislators	Elected Class – Other
2016	ERS	10.00%	10.00%	10.00%	9.50%	9.50%	9.50%
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%

The amount of TxDOT's contributions recognized by the ERS plan during the fiscal 2020 measurement period was $73.8 million. TxDOT must report its 10.03 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, 2020. The table below presents the actuarial methods and assumptions used to measure the total pension liability as of Aug. 31, 2020 the measurement date:

ERS Plan	
Actuarial Valuation Date	August 31, 2020
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Payroll, Open
Actuarial Assumptions:	
Discount Rate	3.62%
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 3.5%-Elected

Changes in assumptions since the previous are described as follows:

- Discount Rate decreased from 4.42 percent in 2020 to 3.62 percent in 2021;
- Investment Rate of Return decreased from 7.5 percent in 2020 to 7.0 percent in 2021;
- Inflation decreased from 2.5 percent in 2020 to 2.3 percent in 2021;
- Salary Increase decreased from 0 percent to 9.5 percent in 2020 to 0 percent to 8.8 percent in 2021;
- Cost of Living Adjustments increased from 2.5 percent in 2020 to 3.5 percent in 2021.

A single discount rate of 3.62 percent was applied to measure the total pension liability. The 3.62 percent discount rate incorporated a 7.0 percent long-term expected rate of return on pension plan investments and 2.33 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 Legislature passed House Bill No. 9 in the 84th legislative session during fiscal 2015 to increase the state contributions for fiscal 2016 and 2017 and maintained the changes made by the 83rd legislative session in Senate Bill 1459, which established proportional decreases to the employee contribution if the state contribution was decreased. The 87th legislative session passed Senate Bill 321, which begins to pay down the unfunded liability for existing retirement structures beginning Sept. 1, 2021; this bill also creates a different defined benefit structure for employees hired after Aug. 31, 2022. Additionally, in August 2020, the Board of Trustees adopted a new set of assumptions that will be first reflected in the actuarial valuations for fiscal year 2022. Projected employer contributions are based on fiscal year 2020 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:

Target Allocations As of Measurement Date of August 31, 2020		
Asset Class	Target Allocation	Long-term Expected Portfolio Real Rate of Return
Global Equity	37%	2.15%
Private Equity	13%	1.16%
Global Credit	11%	0.39%
Opportunistic Credit	3%	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	100%	4.79%
Inflation		2.30%
Expected Nominal Rate of Return		7.09%

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:

Sensitivity of TxDOT's Proportionate Share of Net Pension Liability to Changes Discount Rate
(Amounts in Thousands)

	1% Decrease	Current Discount Rate	1% Increase
ERS Plan Discount Rate	2.62%	3.62%	4.62%
Net Pension Liability	$4,850,777	$3,809,700	$2,970,821

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 2020 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, 2020. For fiscal 2021 reporting, the measurement date of TxDOT's net pension liability is Aug. 31, 2020. The schedule of changes in TxDOT's net pension liability for the fiscal year ending Aug. 31, 2021 is presented below:

Schedule of Changes in Net Pension Liability
(Amounts in Thousands)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 09/01/20	$ 5,561,200	$ 2,627,156	$ 2,934,044
Changes for the year:			
Service Cost	183,297		183,297
Interest	252,376		252,376
Differences between Expected and Actual Experience	51,209		51,209
Assumption Changes	638,481		638,481
Benefit Payments and Refunds	(262,907)	(262,907)	0
Change in Proportional Percentage	72,864		72,864
Contributions-Employer		73,792	(73,792)
Contributions-Member		71,598	(71,598)
Net Investment Income		179,606	(179,606)
Administrative Expense		(2,425)	2,425
Net Changes	935,320	59,664	875,656
Balances at 08/31/21	$ 6,496,520	$ 2,686,820	$ 3,809,700

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 10.03 percent in fiscal 2020; as compared to 9.78 percent in the prior measurement period.

For the fiscal year ending Aug. 31, 2021, TxDOT recognized pension expense of $636.3 million. At Aug. 31, 2021, TxDOT reported deferred outflows of resources and deferred inflows of resources from the following sources:

Outstanding Deferred Outflows and Deferred Inflows at August 31, 2021
(Amounts in Thousands)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	$ 37,056	$ 23,673
Changes in Assumptions	793,507	26,436
Net Difference between Projected and Actual Investment Return	56,243	
Net Change in Proportion and Contribution	62,191	
Contributions Subsequent to the Measurement Date	74,386	
Total	$ 1,023,383	$ 50,109

The $74.4 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, 2022.

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

Fiscal Year Ended August 31: (Amounts in Thousands)*		
2022	$	452,382
2023	$	337,938
2024	$	104,248
2025	$	4,321
2026	$	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, 2020 is presented in the table below:

TxDOT Retiree Health Plan Membership	
Active Members*	12,861
Inactive Members Currently Receiving Benefit Payments**	13,044
Inactive Members Entitled to But Not Yet Receiving Benefit Payments	799
Total Members	26,704

* Includes 349 retirees who are not enrolled in a health plan and 18 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 2020 for fiscal 2021 reporting, the amount of TxDOT's contributions recognized by the OPEB plan was $218.8 million, or 7.28 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:

Employer Contribution Rates
Retiree Health and Basic Life Premium
For the Fiscal Year Ended August 31, 2020

	ERS SRHP			
		Employer		Plan Member
Retiree Only	$	624.82	$	0
Retiree & Spouse	$	1,340.82	$	358.00
Retiree & Children	$	1,104.22	$	239.70
Retiree & Family	$	1,820.22	$	597.70

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, 2020 measurement date.

Actuarial Methods and Assumptions - OPEB - State Retiree Health Plan (SRHP)	
Valuation Date	August 31, 2020
Actuarial Cost Method	Entry Age
Amortization Method	Level Percent of Payroll, Open
Remaining Amortization Period	30 Years
Actuarial Assumptions:	
Discount Rate	2.20%
Inflation Rate	2.30%
Projected Annual Salary Increase	2.30% to 9.05%, including inflation
Annual Healthcare Trend Rate	
	HealthSelect 8.80% for FY22, 5.25% for FY23, 5.00% for FY24, 4.75% for FY25, 4.60% for FY26, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY29 and later years
	HealthSelect Medicare Advantage -53.30% for FY22, 0.00% for FY23, 66.67% for FY24, 24.00% for FY25, 4.60% for FY26, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY29 and later years
	Pharmacy 10.00% for FY22 and FY23, decreasing 100 basis points per year to 5.00% for FY28 and 4.30% for FY29 and later years
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	
	Service Retirees, Survivors and Other Inactive Members: 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.
	Disability Retirees: 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.

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. Demographic assumptions (including rates of preretirement and post-disability mortality for all State Agency members; assumed rates of termination and retirement for certain members who are Certified Peace Officers/Custodial Officers

(CPO/CO); and assumed salary, aggregate payroll increases and the assumed rate of general inflation) have been updated to reflect assumptions recently adopted by the System's Board of Trustees;

b. Assumed Per Capita Health Benefit Costs and assumed Health Benefit Cost and Retiree Contribution trends have been updated to reflect recent experience and its effects on our short term expectations;

c. 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. The percentage of future female retirees assumed to be married and electing coverage for their spouse;

d. The proportion of future retirees assumed to cover dependent children have been updated to reflect recent plan experience and expected trends. Moreover, the PCORI fees payable under the ACA have been updated to reflect IRS Notice 2020-44; and,

e. The discount rate was changed from 2.97% as of August 31, 2019 to 2.20% as of August 31, 2020 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 rate AA/Aa (or equivalent) or higher in effect on the measurement date.

The valuation reflects the minor benefit changes that will become effective January 1, 2021, since these changes were communicated to plan members in advance of the preparation of this report. These changes, which are not expected to have a significant impact on plan costs for fiscal year 2021, are provided for in the fiscal year 2021 Assumed Per Capita Health Benefit Costs.

The discount rate that was used to measure the total OPEB liability is the municipal bond rate of 2.20% as of the end of the measurement year; as of the beginning of the measurement years, the discount rate was 2.97%. 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 percent. The investment rate of return used to calculate the projected earnings on OPEB investments was 2.97 percent.

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:

Sensitivity of TxDOT's Proportionate Share of Net OPEB Liability to Changes in Discount Rate
(Amount in Thousands)

	1% Decrease	Current Discount Rate	1% Increase
ERS Plan Discount Rate	1.20%	2.20%	3.20%
Net OPEB Liability	$ 2,865,936	$ 2,405,122	$ 2,049,818

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:

Sensitivity of TxDOT's Proportionate Share of Net OPEB Liability to Changes in Healthcare Cost Trend Rates
HealthSelect (HS) or HealthSelect Medicare Advantage (HSMA)
(Amount in Thousands)

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
	(HS/HSMA/Pharmacy: 7.80%/-54.30%/9.00% decreasing to 3.30%)	(HS/HSMA/Pharmacy: 8.80%/-53.3%/10.0% decreasing to 4.30%)	(HS/HSMA/Pharmacy: 9.80%/-52.30%/11.00% decreasing to 5.30%)
Net OPEB Liability	$ 2,012,929	$ 2,405,122	$ 2,919,247

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 2020 ACFR:

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

At Aug. 31, 2021, TxDOT reported a liability of $2.4 billion for its proportionate share of the collective net OPEB liability. The collective OPEB liability was measured as of Aug. 31, 2020, 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, 2020 was 7.28 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, 2019 through Aug. 31, 2020.

The schedule of changes in TxDOT's net OPEB liability for the fiscal year ending Aug. 31, 2021, is presented as follows:

Schedule of Changes in Net OPEB Liability
(Amounts in Thousands)

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 09/01/20	$ 2,560,751	31,593	$ 2,529,158
Changes for the year:			
Service Cost	112,086		112,086
Interest	77,381		77,381
Differences between Expected and Actual Experience	(59,568)		(59,568)
Contributions-Employer		54,469	(54,469)
Contributions-Non-employer Contributing Entities		2,747	(2,747)
Contributions-Employee		16,751	(16,751)
Contributions-Federal Revenues for Medicare Part D RDS		129	(129)
Other (Federal Revenues and Other Additions)		7,958	(7,958)
Other (Other Additions)		2	(2)
Net Investment Income		97	(97)
Benefit Payments, including Refunds of Employee-Contributions	(53,672)	(53,672)	0
Benefit Payments financed by Employee-Contributions and Federal Revenues		(24,709)	24,709
Administrative Expense		(496)	496
Assumption Changes	(183,440)		(183,440)
Net Effect of the Change in TxDOT's Proportional Percentage	(13,547)		(13,547)
Net Changes	(120,760)	3,276	(124,036)
Balances at 08/31/21	$ 2,439,991	$ 34,869	$ 2,405,122

For the year ending Aug. 31, 2021, TxDOT recognized a negative OPEB expense of $249.1 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, 2020 includes both active and retiree contributions.

As of Aug. 31, 2021, TxDOT reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Outstanding Deferred Outflows and Deferred Inflows Related to OPEB at August 31, 2021 (Amounts in Thousands)	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	$	$ 94,065
Changes of Assumptions	139,240	518,205
Net Difference between Projected and Actual Investment Return	718	
Change in Proportion & Contribution Difference		325,364
Contributions Subsequent to the Measurement Date	220,676	
Total	$ 360,634	$ 937,634

The $220.7 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, 2022.

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

Fiscal Year Ended August 31: (Amounts in Thousands)	
2022	$ (438,865)
2023	$ (369,889)
2024	$ 1,005
2025	$ 18,288
2026	$ (8,216)
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.

Interfund Transfers In/Out by Purpose

August 31, 2021 (Amounts in Thousands)

Purpose	Interfund Transfer In (Fund)	Interfund Transfer Out (Fund)		Amount
Reimburse the state highway fund for costs incurred on projects funded by local government contributions.	State Highway Fund	County/Political Subdivision/ Local Government Road/Airport Trust Account	$	145,765
Provide funds to pay debt service principal and interest payments on outstanding Proposition 12/Highway Improvement General Obligation Bonds.	Proposition 12 Debt Service Fund	State Highway Fund	$	266,315
Provide funds to pay debt service principal and interest payments on outstanding Proposition 14/State Highway Fund Revenue Bonds.	Proposition 14 Debt Service Fund	State Highway Fund	$	395,149

Interfund Transfers In/Out
August 31, 2021 (Amounts in Thousands)

	Transfers In Other Funds	Transfers Out Other Funds
Governmental Funds		
Major Funds:		
State Highway Fund	$ 145,765	$ 661,816
Nonmajor Funds	661,464	145,765
	807,229	807,581
Proprietary Funds		
Major Funds:		
Central Texas Turnpike System	352	
	352	0
Total	$ 807,581	$ 807,581

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.

Due From/To
August 31, 2021 (Amounts in Thousands)

	Due From Other Funds	Due To Other Funds
Governmental Funds		
Major Funds:		
State Highway Fund	$ 32,323	$ 55,927
Texas Mobility Fund		152
Nonmajor Funds	7,222	20,916
	39,545	76,995
Proprietary Funds		
Major Funds:		
Central Texas Turnpike System	34,299	1,522
Grand Parkway Transportation Corp.	10,699	6,245
SH249 System	219	
	45,217	7,767
Total	$ 84,762	$ 84,762

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".

Transfers-Internal Activities per the Entity-Wide Financial Statements
August 31, 2021 (Amounts in Thousands)

Fund Category		Other Funds*
Governmental Activities	$	(38,876)
Business-Type Activities	$	38,876

*Amounts include capital contributions of 38.5 million from Governmental Activities to Business-Type Activities.

Internal Balances per the Entity-Wide Financial Statements
August 31, 2021 (Amounts in Thousands)

		Governmental Activities		Business-Type Activities		Total
Current Liabilities:						
Internal Balances - Payables	$	37,450	$	(37,450)	$	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 $1.6 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 2021, resulted in an increase to the TxDOT highway fund cash in state treasury balance.

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 $1.4 billion in fiscal 2021. The Comptroller of Public Accounts transferred this amount to TxDOT in November 2021.

Austin Campus Consolidation Project Fund is a new nonmajor fund in fiscal 2021. This fund captures the activity related to the construction of TxDOT headquarters, which is estimated to be completed by February 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. $112.0 million reported as, due from other 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.

Transfers In/Out to Other State Agencies
August 31, 2021 (Amounts in Thousands)

	Transfers In Other Agencies	Transfers Out Other Agencies
Governmental Funds		
Major Funds:		
State Highway Fund	$ 1,692,573	$ 146,879
Nonmajor Funds	37,828	
Total	$ 1,730,401	$ 146,879

Due From/To Other State Agencies
August 31, 2021 (Amounts in Thousands)

	Due From Other Agencies	Due To Other Agencies
Governmental Funds		
Major Funds:		
State Highway Fund	$ 1,700,522	$ 2,605
Nonmajor Funds	122,361	
Total	$ 1,822,883	$ 2,605

Pass-Throughs To/From Other State Agencies
August 31, 2021 (Amounts in Thousands)

	State Highway Fund
Federal Pass-throughs:	
Expenditures	$ (10,190)
Revenue	426
Total	(9,764)
State Pass-throughs:	
Expenditures	$ (102)
Total	(102)

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, 2021 governmental fund balances by major and nonmajor governmental funds. With the exception of nonspendable fund balances, fund balances are presented based on specific purpose for which the funds are restricted, committed, assigned or unassigned.

Governmental Fund Balances –
Disaggregation of Nonspendable, Restricted, Committed, Assigned and Unassigned Fund Balances
August 31, 2021 (Amounts in Thousands)

MAJOR FUNDS	**State Highway Fund**	**Texas Mobility Fund**	**Total Major Funds**
Nonspendable:			
Inventory	$ 146,852	$	$ 146,852
Restricted For:			
Transportation-Construction	6,915,223		6,915,223
Debt Service		241,777	241,777
Committed To:			
Transportation-Construction	671,104	147,488	818,592
Assigned To:			
Transportation	301,110		301,110
Total	8,034,289	389,265	$ 8,423,554

NONMAJOR FUNDS	**General Funds**	**Special Revenue Funds**	**Debt Service Funds**	**Capital Projects Funds**	**Total Nonmajor Funds**
Restricted For:					
Capital Projects	$	$	$	$ 98,210	$ 98,210
Debt Service			236,109		236,109
Committed To:					
Transportation-Construction		5,779			5,779
Assigned To:					
Transportation	130				130
Unassigned	6,928				6,928
Total	$ 7,058	$ 5,779	$ 236,109	$ 98,210	$ 347,156

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, 2020, As Previously Reported		Adjustments/ Reclassifications		September 1, 2020 As Restated
GOVERNMENTAL ACTIVITIES						
Major Funds:						
State Highway Fund	$	7,553,555		(94,521)	(A)	7,459,034
Texas Mobility Fund		321,042				321,042
Total Major Funds		7,874,597		(94,521)		7,780,076
Nonmajor Funds:						
General Fund Accounts		16,218				16,218
Special Revenue Funds		10,073				10,073
Debt Service Funds		230,155				230,155
Total Nonmajor Funds		256,446		0		256,446
Governmental Activities Adjustments						
Capital Assets		119,334,168				119,334,168
Long-Term Liabilities		(32,365,255)				(32,365,255)
Other Adjustments		2,118,143				2,118,143
Total Governmental Activities Adjustments		89,087,056		0		89,087,056
Total Governmental Activities		97,218,099		(94,521)		97,123,578
BUSINESS-TYPE ACTIVITIES						
Central Texas Turnpike System		374,387				374,387
Grand Parkway Transportation Corp.		(310,476)				(310,476)
SH249 System		211,665				211,665
Total Business-Type Activities		275,576		0		275,576
Total Primary Government	$	97,493,675	$	(94,521)	$	97,399,154

(A) The $94.5 million restatement for the State Highway Fund was due to a change in accounting principle after implementation of GASB Implementation Guide 2019-1 in fiscal 2021. As a result of the implementation, TxDOT restated beginning fund balance and net position for the State Highway Fund and Governmental Activities, respectively, for federal grant revenues that were recognized during fiscal 2020, for which there was no executed grant agreement in place. Such federal grant revenues were recognized in fiscal 2021.

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, 2021, outstanding contractor claims pending at the TxDOT claims committee totaled $80.1 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, 2021. TxDOT management's opinion is that the probable outcome of these cases will not materially affect the financial position of TxDOT.

Type of Suit	Amounts in Controversy
Contract	Amounts claimed range from two thousand to $54.3 million. Total claims of amounts indicated is $56.1 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 one hundred to $10.1 million with a total of $614.4 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, 2021, 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.

Construction Related Contract Commitments

August 31, 2021 (Amounts in Thousands)

	Total Remaining Commitment	FHWA Reimbursements
Construction Contracts	$ 12,623,951	$ 5,966,215
Design-Build Projects	3,506,271	1,284,956
SCA Projects	161,884	25,737
GPTC Project	147,479	
Totals	$ 16,439,585	$ 7,276,908

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, 2021, 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, 2021 was approximately $595.4 million. Approximately $1.1 billion was repaid as of Aug. 31, 2021 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, 2021, the

Commission has outstanding toll equity grant commitments and toll equity loan commitments totaling $161.0 million and $9.0 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, e.g., the "Eligible Costs".

NOTE 16 – SUBSEQUENT EVENTS

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 also has begun the process of procuring a new service provider that will assume responsibilities from the interim team to continue implementing improvements to TxDOT's Back Office System.

The following debt has been remarketed since Aug. 31, 2021.

Description	Series	Actual Par Amount (Amount in Millions)	Actual Date of Issuance	Purpose
State of Texas General Obligation Mobility Fund Put Bonds	2014-B	$ 250.0	10/1/2021	To convert interest rate from an index floating rate mode to a multiannual mode
State Highway Fund First Tier Revenue Bonds	2016-B	$ 89.4	10/1/2021	To convert interest rate from a variable rate mode to a fixed rate mode

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.

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

Claims and Judgments
August 31, 2021 (Amounts in Thousands)

		Beginning Balance	Increases	Decreases		Ending Balance
2021	$	0	4,419	(4,419)	$	0
2020	$	0	8,897	(8,897)	$	0

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, and GPTC. An actuary will evaluate the self-insurance for the SH 249 system during fiscal 2022, one year after substantial completion of the project. 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, 2021, 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, 2021. 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, and I-2. See Note 6 for additional details about the GPTC bond issuances as of Aug. 31, 2021. GPTC has a fiscal year end of Aug. 31, 2021, 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 $420.9 million deficit net position at the end of fiscal 2021. The total expense exceeded the total revenue by $110.4 million. The largest expenses in 2021 were $65.7 million of amortization and $199.2 million of interest.

The Coronavirus Relief Fund had a $8.8 million deficit fund balance at the end of fiscal 2021. This balance relates to the portion of the federal receivable in the fund that was unavailable within 60 days of fiscal year-end. Expenditures exceeded revenues in the fund due to the unavailable revenues.

Financial Impact of COVID-19

In response to the COVID-19 pandemic Congress passed multiple disaster relief funding, including, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and American Rescue Plan Act (ARPA). The awards provide economic funding to offset some additional expenses and forgone revenue as a response to COVID-19. TxDOT was awarded $997.2 million of COVID-19 federal funds in fiscal 2021.

Public health measures implemented to contain the spread of COVID-19 caused a decline in traditional demand for motor fuels, thus decreasing motor fuel tax and vehicle registration fee collections in fiscal 2021. In July 2021, the Comptroller revised the Biennial Revenue Estimates (BRE) to account for COVID-19 economic effects. The revised July 2021 BRE anticipated a $241.8 million shortfall in motor fuels tax and a $40.8 million shortfall in motor vehicle registration fee deposited to the State Highway Fund, when compared to the October 2019 Certification Revenue Estimate (CRE).

NOTE 20 – SERVICE CONCESSION ARRANGEMENTS

As of Aug. 31, 2021, 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:

a. 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.

b. 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.

c. 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.

d. 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.

Service Concession Arrangements
As of August 31, 2021

Arrangement Name	Construction Status	Term of Concession	Concession Begin	Concession End
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	Under Construction	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.

Service Concession Arrangements - Amounts Recognized in Financial Statements – Governmental Activities

August 31, 2021 (Amounts in Thousands)

Arrangement Name	Cash in State Treasury*	Capital Assets	Deferred Inflows of Resources**
IH 10 "Katy Managed Lanes"	$	$ 250,000	$ 184,783
SH 130 Segments 5 and 6	27,551	1,435,580	1,254,738
SH 121 Concession	267,478	1,336,606	2,868,751
North Tarrant Exp Seg 1 and 2-West		2,399,072	1,460,311
North Tarrant Exp Seg 3A and 3B		1,946,325	1,239,188
LBJ/IH-635 Managed Lanes		2,683,026	1,803,620
Grand Parkway Seg D, E, F1, F2, G		2,515,618	2,103,151
SH 288	10,418	1,007,170	931,372
North Tarrant Exp Seg 3C		21,888	
Total	$ 305,447	$ 13,595,285	$ 11,845,914

* 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, 2021. This amount is reported in the business-type activities.

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

As of Aug. 31, 2021, TxDOT reported deferred outflows of resources and deferred inflows of resources in the Statement of Net Position as presented in the table below.

Deferred Outflows and Deferred Inflows of Resources
Statement of Net Position
As of August 31, 2021 (Amounts in Thousands)

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Governmental Activities		
Loss on Bond Refunding	$ 208,408	$
Gain on Bond Refunding		37,582
Pensions (Note 8)	1,023,383	50,109
Service Concession Arrangements (Note 20)		11,845,914
Other Postemployment Benefits (Note 10)	360,634	937,634
Total Governmental Activities	1,592,425	12,871,239
Business-Type Activities		
Loss on Bond Refunding	202,429	
Gain on Bond Refunding		26,460
Total Business-Type Activities	202,429	26,460
Total	$ 1,794,854	$ 12,897,699

Deferred outflows of resources in the amounts of $208.4 million in governmental activities and $202.4 million in business-type activities relate to losses on bond refunding transactions. The deferred inflow of $37.6 million reported in governmental activities and $26.5 million in business-type activities relates to a gain 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 $11.8 billion reported in governmental activities relate to ten different service concession arrangements, to which TxDOT was a party, as of Aug. 31, 2021. The amount recorded in the financial statements represents the balance of unamortized upfront payments and capital improvements TxDOT received under the agreements.

TxDOT reported $1.0 billion in deferred outflows of resources and $50.1 million 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 $360.6 million and deferred inflows of resources of $937.6 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 $1.6 billion were reported on the governmental funds balance sheet for State Highway Fund and $8.8 million for Nonmajor fund as presented in the table as follows. These deferred inflows relate to unavailable revenues that were earned as of Aug. 31, 2021, but not available within 60 days of year end.

Deferred Inflows of Resources
Balance Sheet-Governmental Funds
As of August 31, 2021 (Amounts in Thousands)

Description		Deferred Inflows of Resources
State Highway Fund		
Oil and Natural Gas Production Tax	$	1,457,260
Local Revenue		101,043
Federal Revenue		20,599
Motor Fuel Tax		3
Total State Highway Fund		1,578,904
Nonmajor funds		
Federal Revenue	$	8,802
Total Nonmajor funds		8,802

Section Two (continued)

Required Supplementary Information

Other Than MD&A

(Unaudited)

Texas Department of Transportation
Budgetary Comparison Schedule - State Highway Fund
For the Fiscal Year Ended August 31, 2021 (Amount in Thousands)

	Budgetary Amounts			
	Original	Final	Actual Amounts Budgetary Basis	Final to Actual Variance
REVENUES				
Taxes	$ 6,256,934	$ 4,797,549	$ 6,846,971	$ 2,049,422
Federal	5,853,758	5,097,456	5,453,008	355,552
Licenses, Fees and Permits	122,729	128,588	79,537	(49,051)
Interest and Investment Income	19,905	22,159	83,677	61,518
Land Income			20,505	20,505
Settlement of Claims			43,473	43,473
Sales of Goods and Services	24,907	45,243	53,264	8,021
Other	227,722	131,130	3,848	(127,282)
Total revenues	12,505,955	10,222,125	12,584,283	2,362,158
EXPENDITURES				
Transportation:	14,217,526	15,842,527	12,520,738	3,321,789
Total Expenditures	14,217,526	15,842,527	12,520,738	3,321,789
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,711,571)	(5,620,402)	63,545	5,683,947
OTHER FINANCING SOURCES (USES)				
Transfers In			1,838,338	1,838,338
Transfers Out			(808,695)	(808,695)
Sale of Capital Assets			13,972	13,972
Available Beginning Balances	7,345,368	7,345,368	7,345,368	
Total Other Financing Sources (Uses)	7,345,368	7,345,368	8,388,983	1,043,615
Excess (Deficiency) of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	$ 5,633,797	$ 1,724,966	$ 8,452,528	$ 6,727,562

NOTES TO THE BUDGETARY COMPARISION 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.

RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS
August 31, 2021 (Amounts in Thousands)

		State Highway Fund
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses- Actual Budgetary Basis	$	8,452,528
Basis of Accounting Differences:		
Receivables and Deferred Inflows		(394,547)
Payables		179,404
Perspective Differences:		
Beginning Cash Balances Reported as Other Financing Sources		(7,345,368)
Other Expenditures Not Budgeted		(316,762)
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses - GAAP Basis	$	575,255

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 schedule on the following page, 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.

Texas Department of Transportation
Budget Comparison by Strategy-State Highway Fund
For the Fiscal Year Ended August 31, 2021 (Amount in Thousands)

Strategy	Final Budget	Actual Expenditures, Budgetary Basis	Variance
Plan/Design/Manage	$ 487,377	$ 447,639	$ (39,738)
Contracted Planning & Design	479,141	509,518	30,378
Right-of-Way Acquisition	736,394	737,370	976
Construction Contracts	3,579,403	2,016,358	(1,563,046)
Maintenance Contracts	2,891,850	2,412,111	(479,739)
Proposition 1, 2014	1,805,151	876,332	(928,818)
Proposition 7, 2015	2,553,783	2,956,331	402,548
Construction Grants & Services	183,961	178,110	(5,850)
Contracted Routine Maintenance	1,283,351	999,631	(283,720)
Routine Maintenance	743,702	682,569	(61,133)
Ferry Operations	54,875	47,155	(7,720)
Public Transportation	112,407	72,351	(40,056)
Traffic Safety	61,635	51,300	(10,335)
Travel Information	20,993	15,345	(5,647)
Research	25,425	24,353	(1,073)
Aviation Services	130,671	86,525	(44,146)
Gulf Waterway	1,124	267	(857)
Rail Plan/Design/Manage	3,012	1,675	(1,337)
Contract Rail Plan/Design	3,600	2,206	(1,394)
Rail Construction	2,465	1,940	(525)
Central Administration	98,272	72,669	(25,603)
Information Resources	398,425	196,724	(182,042)
Other Support Services	44,427	39,957	(4,471)
Other Debt Service	1,000	0	(1,000)
Plan/Design/Manage - Subaccount	4,500	1,435	(3,065)
Contracted Plan/Design - Subaccount	4,000	116	(3,884)
Right-of-Way Acquisition - Subaccount	12,500	6,158	(6,342)
Construction Contracts - Subaccount	119,085	84,595	(34,490)
Total	$ 15,842,527	$ 12,520,738	$ (3,302,130)

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.

Schedule of Changes in Net Pension Liability
(Amounts in Thousands)

	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability							
Service Cost	$ 183,298	$ 131,802	$ 139,071	$ 132,525	$ 108,528	$ 118,614	$ 109,957
Interest	252,377	263,616	246,260	228,274	238,733	228,696	224,284
Benefit Changes						(8,462)	
Differences between Expected and Actual Experience	51,209	(56,576)	8,840	10,516	12,639	(27,433)	(24,411)
Assumption Changes	638,481	828,735	(190,768)	201,859	501,760	(330,365)	115,710
Benefit Payments and Refunds	(262,908)	(248,564)	(231,505)	(208,148)	(203,213)	(197,428)	(189,477)
Change in Proportional Percentage	72,864	33,200	115,111	(73,016)	(22,595)	(2,322)	
Net Change in Total Pension Liability	935,321	952,213	87,009	292,010	635,852	(218,700)	236,063
Total Pension Liability-Beginning	5,561,200	4,608,987	4,521,978	4,229,968	3,594,116	3,812,816	3,576,753
Total Pension Liability-Ending (a)	$ 6,496,521	$ 5,561,200	$ 4,608,987	$ 4,521,978	$ 4,229,968	$ 3,594,116	$ 3,812,816
Plan Fiduciary Net Position							
Contributions-Employer	73,792	69,733	67,074	63,666	64,993	48,208	46,536
Contributions-Member	71,598	67,985	65,798	62,336	63,849	44,524	41,553
Net Investment Income	179,607	74,216	233,808	257,602	120,512	5,486	313,859
Benefit Payments and Refunds	(262,907)	(248,564)	(231,505)	(208,148)	(203,213)	(197,428)	(189,477)
Administrative Expense	(2,425)	(2,716)	(2,265)	(2,100)	(1,935)	(2,104)	(1,949)
Net Change in Plan Fiduciary Net Position	59,665	(39,346)	132,910	173,356	44,206	(101,314)	210,522
Plan Fiduciary Net Position-Beginning	2,627,156	2,666,502	2,533,592	2,360,236	2,316,030	2,417,344	2,206,822
Plan Fiduciary Net Position-Ending (b)	2,686,821	2,627,156	2,666,502	2,533,592	2,360,236	2,316,030	2,417,344
Net Pension Liability-Ending (a) - (b)	$ 3,809,700	$ 2,934,044	$ 1,942,485	$ 1,988,386	$ 1,869,732	$ 1,278,086	$ 1,395,472
Plan Fiduciary Net Position as a percentage of Total Pension Liability	41.36%	47.24%	57.85%	56.03%	55.80%	64.44%	63.40%
Covered Payroll	$717,847	$679,824	$655,345	$623,828	$638,053	$592,508	$574,704
Net Pension Liability as a percentage of covered payroll	530.71%	431.59%	296.41%	318.74%	293.04%	215.71%	242.82%

Notes to Schedule:
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 seven 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)

	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contributions	$ 115,532	$ 98,776	$ 92,592	$ 89,848	$ 67,526	$ 65,492	$ 71,131
Actual Contribution	74,383	73,792	69,733	67,073	66,253	66,163	48,288
Contribution deficiency (excess)	41,148	24,984	22,859	22,774	1,273	(670)	22,843
Covered payroll	722,978	717,847	679,824	655,345	649,179	649,536	593,496
Contribution as a percentage of covered payroll	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 and employers contribute based on statutorily fixed rates.

A new set of assumptions were adopted for the August 31, 2020 actuarial valuation and was first reflected for the ADEC determined for the fiscal year ending 2021.

Provisions of the Legacy Payment structure adopted during the 2021 legislative session will be 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 Percentage of Payroll, Open
Remaining Amortization Period	31 years
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	2.3%
Salary Increases	0% to 8.8%
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.

Schedule of Changes in Net OPEB Liability

(Amounts in Thousands)

	2021	2020	2019	2018
Total OPEB Liability				
Service Cost	$ 112,086	$ 88,258	$ 109,497	$ 256,922
Interest	77,381	89,418	92,361	136,668
Differences between Expected and Actual Experience	(59,568)	(6,513)	(68,487)	(55,942)
Assumption Changes	(183,440)	219,984	(433,607)	(973,369)
Benefit Payments, including Refunds of Employee- Contributions	(53,672)	(54,212)	(48,508)	(81,242)
Change in Proportional Percentage	(13,547)	(545)	(1,305,600)	
Net Change in Total OPEB Liability	(120,760)	336,390	(1,654,344)	(716,963)
Total OPEB Liability-Beginning	2,560,751	2,224,361	3,878,705	4,595,668
Total OPEB Liability-Ending (a)	$ 2,439,991	$ 2,560,751	$ 2,224,361	$ 3,878,705
Plan Fiduciary Net Position				
Contributions-Employer	$ 54,469	$ 29,365	$ 22,473	$ 99,328
Contributions-Non-employer Contributing Entities	2,747	1,477	1,214	5,140
Contributions-Employee	16,751	15,355	14,868	21,835
Contributions-Federal Revenues for Medicare Part D RDS	129	108	104	
Other (Federal Revenues and Other Additions)	7,959	6,439	5,587	8,009
Net Investment Income	97	243	798	504
Benefit Payments, including Refunds of Employee- Contributions	(53,672)	(54,212)	(48,508)	(81,242)
Benefit Payments financed by Employee- Contributions and Federal Revenues	(24,709)	(21,788)	(20,216)	(29,803)
Administrative Expense	(496)	(439)	(426)	(627)
Net Change in Plan Fiduciary Net Position	3,275	(23,452)	(24,106)	23,144
Plan Fiduciary Net Position-Beginning	31,593	55,045	79,151	56,007
Plan Fiduciary Net Position-Ending (b)	$ 34,868	$ 31,593	$ 55,045	$ 79,151
Net OPEB Liability-Ending (a) - (b)	$ 2,405,123	$ 2,529,158	$ 2,169,316	$ 3,799,554
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0.32%	0.17%	1.27%	2.04%
Covered-Employee Payroll	$ 921,100	$ 901,530	$ 881,785	$ 1,309,744
Net OPEB Liability as a Percentage of Covered- Employee Payroll	261.11%	280.54%	246.01%	290.10%

Notes to Schedule:

1. This schedule is intended to present 10 years of information. Currently, only four years of information are available. Information for future years will be added when it becomes available.
2. Information is presented using an Aug. 31, 2020 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)

	2021	2020	2019	2018
Actuarially determined contribution	$ 199,751	$ 188,525	$ 196,639	$ 170,736
Actual Contribution	220,676	218,794	216,838	212,627
Contribution deficiency (excess)	(20,925)	(30,269)	(20,199)	(41,891)
Covered-Employee Payroll	924,143	921,086	901,530	881,785
Contribution as a percentage of Covered-Employee Payroll	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, 2020
Actuarial Cost Method	Entry Age
Remaining Amortization Period	30 Years
Asset Valuation Method	Not applicable
Actuarial Assumptions:	
Discount Rate	2.20%*
Inflation	2.30%
Projected Annual Salary Increase	2.30% to 9.05%, including inflation
Annual Healthcare Trend Rate	
	HealthSelect: 8.80% for FY22, 5.25% for FY23, 5.00% for FY24, 4.75% for FY25, 4.60% for FY26, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY29 and later years
	HealthSelect Medicare Advantage: -53.30% for FY22, 0.00% for FY23, 66.67% for FY24, 24.00% for FY25, 4.60% for FY26, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY29 and later years
	Pharmacy: 10.00% for FY22 and FY23, decreasing 100 basis points per year to 5.00% for FY28 and 4.30% for FY29 and later years
Aggregate Payroll Growth	2.70%
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 four 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 and Schedules

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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.

Appropriated Fund	GAAP Fund	USAS D23 Funds
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.

Appropriated Fund	GAAP Fund	USAS D23 Funds
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.

Appropriated Fund	GAAP Fund	USAS D23 Funds
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.

Appropriated Fund	GAAP Fund	USAS D23 Funds
0006	0006	0099 - State Infrastructure Bank

Texas Department of Transportation
Combining Balance Sheet - State Highway Fund
August 31, 2021 (Amounts in Thousands)

	State Highway Fund Accounts	Proposition 1	Proposition 7	State Infrastructure Bank	TOTAL
ASSETS					
Cash and Cash Equivalents:					
Cash on Hand	$ 737	$	$	$	$ 737
Cash in Bank	2,186				2,186
Cash in State Treasury	846,437	2,070,772	4,734,615	382,708	8,034,532
Cash Equivalents	109,949				109,949
Receivables:					
Taxes	224,936				224,936
Federal	403,804				403,804
Other Intergovernmental	210,601				210,601
Interest and Dividends	4,232			1,422	5,654
Accounts Receivable	72,930				72,930
Due from Other Funds	32,323				32,323
Due from Other Agencies	243,262	1,457,260			1,700,522
Consumable Inventories	146,852				146,852
Investments	19,966				19,966
Loans and Contracts	195,538			150,110	345,648
Restricted:					
Cash Equivalents	19,025				19,025
Total Assets	$ 2,532,778	$ 3,528,032	$ 4,734,615	$ 534,240	$ 11,329,665
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Payables:					
Accounts	1,059,972	96,441	339,018		1,495,431
Payroll	92,529				92,529
Contract Retainage	35,355				35,355
Deposits	31,979				31,979
Due to Other Funds	47,970	1,598	6,359		55,927
Due to Other Agencies	2,605				2,605
Unearned Revenues	2,646				2,646
Total Liabilities	1,273,056	98,039	345,377	0	1,716,472
Deferred Inflows of Resources:					
Unavailable Revenue	121,644	1,457,260			1,578,904
Total Deferred Inflows of Resources	121,644	1,457,260	0	0	1,578,904
Fund Balances (Deficits):					
Nonspendable:					
Inventory	146,852				146,852
Restricted	19,012	1,972,733	4,389,238	534,240	6,915,223
Committed	671,104				671,104
Assigned	301,110				301,110
Total Fund Balances	1,138,078	1,972,733	4,389,238	534,240	8,034,289
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 2,532,778	$ 3,528,032	$ 4,734,615	$ 534,240	$ 11,329,665

Texas Department of Transportation
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - State Highway Fund
For the Fiscal Year Ended August 31, 2021 (Amounts in Thousands)

	State Highway Fund Accounts	Proposition 1	Proposition 7	State Infrastructure Bank	TOTAL
REVENUES					
Taxes	$ 2,872,932	$ 1,133,688	$ 2,737,036	$	$ 6,743,656
Federal Revenues	5,152,382				5,152,382
Federal Pass-Through Revenues	426				426
Licenses, Fees and Permits	79,537				79,537
Interest & Investment Income	48,688	9,797	19,176	6,015	83,676
Net Increase (Decrease) Fair Value	(94)				(94)
Land Income	20,505				20,505
Settlement of Claims	43,474				43,474
Sales of Goods and Services	62,327				62,327
Other Revenues	3,848				3,848
Total Revenues	8,284,025	1,143,485	2,756,212	6,015	12,189,737
EXPENDITURES					
Transportation	2,806,257	161,436	549,452		3,517,145
Capital Outlay	6,044,307	575,900	2,395,181		9,015,388
Debt Service:					
Principal on Pass-Through Tolls & Contracts	122,142				122,142
Interest on State Bonds	2,862				2,862
Other Financing Fees	560				560
Total Expenditures	8,976,128	737,336	2,944,633	0	12,658,097
Excess (Deficiency) of Revenues Over (Under) Expenditures	(692,103)	406,149	(188,421)	6,015	(468,360)
OTHER FINANCING SOURCES (USES)					
Transfers In	1,838,338				1,838,338
Transfers Out	(542,380)		(266,315)		(808,695)
Sale of Capital Assets	13,972				13,972
Total Other Financing Sources (Uses)	1,309,930	0	(266,315)	0	1,043,615
Net Change in Fund Balances	617,827	406,149	(454,736)	6,015	575,255
Fund Balances, September 1, 2020 as Restated	520,251	1,566,584	4,843,974	528,225	7,459,034
Fund Balances, August 31, 2021	$ 1,138,078	$ 1,972,733	$ 4,389,238	$ 534,240	$ 8,034,289

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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.

Appropriated Fund	GAAP Fund	USAS D23 Funds
0365	0365	0367 - TMF-Interest & Sinking Account
		0373 - TMF-Rebate Account
		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.

Appropriated Fund	GAAP Fund	USAS D23 Funds
0365	0365	0365 - TMF-General Account

Texas Department of Transportation
Combining Balance Sheet - Texas Mobility Fund
August 31, 2021 (Amounts in Thousands)

	Debt Service Fund	Capital Projects Fund	Total
ASSETS			
Cash and Cash Equivalents:			
Cash in State Treasury	$ 229,538	$ 163,464	$ 393,002
Receivables:			
Federal	10,978		10,978
Due from Other Funds	1,261		1,261
Total Assets	$ 241,777	$ 163,464	$ 405,241
LIABILITIES AND FUND BALANCES			
Liabilities:			
Payables:			
Accounts		14,563	14,563
Due to Other Funds		1,413	1,413
Total Liabilities	0	15,976	15,976
Fund Balances (Deficits):			
Restricted	241,777		241,777
Committed		147,488	147,488
Total Fund Balances	241,777	147,488	389,265
Total Liabilities and Fund Balances	$ 241,777	$ 163,464	$ 405,241

Texas Department of Transportation
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Texas Mobility Fund
For the Fiscal Year Ended August 31, 2021 (Amounts in Thousands)

	Debt Service Fund	Capital Projects Fund	Total
REVENUES			
Federal Revenues	$ 21,961	$	$ 21,961
Licenses, Fees and Permits	340,544	159,178	499,722
Interest and Investment Income	647	604	1,251
Other Revenues		15	15
Total Revenues	363,152	159,797	522,949
EXPENDITURES			
Transportation		3,064	3,064
Capital Outlay		111,885	111,885
Debt Service:			
Principal on State Bonds	105,730		105,730
Interest on State Bonds	233,467		233,467
Other Financing Fees		580	580
Total Expenditures	339,197	115,529	454,726
Excess (Deficiency) of Revenues Over (Under) Expenditures	23,955	44,268	68,223
Net Change in Fund Balances	23,955	44,268	68,223
Fund Balances, September 1, 2020	217,822	103,220	321,042
Fund Balances, August 31, 2021	$ 241,777	$ 147,488	$ 389,265

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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.

Appropriated Fund	GAAP Fund	USAS D23 Funds
0001	0001	0001 - General Revenue Fund
0001	1000	1001 - General Revenue Fund-Agency Funds
0036	0036	0036 - Traffic Safety Crash Records
0325	0325	0325 - Fed COVID - 19 Pandemic Relief Fund
0599	0599	0599 - Econcomic Stabilization Fund
0807	0807	8070 - Child Support Addenda Deductions
0882	0882	0882 - City County MTA & SPD Sales Tax
0900	0900	0090 - Suspense Fund
0900	0900	0900 - Suspense Fund
0900	0900	9015 - USPS-Overpayments To Employees
0900	0900	9016 - Warrant Hold Offset-Gc403.0551
0942	0942	0942 - 401K Payroll
0980	0980	0980 - Direct Deposit Correction Fund
0980	0980	9014 - USPS-Direct Deposit Return
0999	0001	0998 - Miscellaneous-Utility Fund (Non-Cash)
7604	7604	7604 - TPFA G.O. Commercial Paper Series 2002B

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.

Appropriated Fund	GAAP Fund	USAS D23 Funds
0184	0184	0184 - Transportation Infrastructure Fund
0999	0999	0999 - Mis-Utility Fund (Non-Cash)

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

Appropriated Fund	GAAP Fund	USAS D23 Funds
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.

Appropriated Fund	GAAP Fund	USAS D23 Funds
0927	0927	0927 - CO/PolSubdv/LocGo RO/Airpt Tr
7517	7517	7517 - TPA Lease Rev TxDOT Campus Fund

Texas Department of Transportation
Combining Balance Sheet - Nonmajor Governmental Funds
August 31, 2021 (Amounts in Thousands)

	General Fund	Special Revenue Fund*	Debt Service Fund	Capital Projects Fund	Total Nonmajor Funds
ASSETS					
Cash and Cash Equivalents:					
Cash in State Treasury	$ 4,471	$ 5,779	$ 217,929	$ 521,892	$ 750,071
Legislative Appropriations	16,017				16,017
Receivables:					
Federal	19,855		12,744		32,599
Other Intergovernmental				145	145
Due from Other Funds			5,442	1,780	7,222
Due from Other Agencies	10,335			112,026	122,361
Total Assets	$ 50,678	$ 5,779	$ 236,115	$ 635,843	$ 928,415
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Payables:					
Accounts	22,826			13,816	36,642
Payroll	130				130
Due to Other Funds	11,862		6	9,048	20,916
Unearned Revenues				514,769	514,769
Total Liabilities	34,818	0	6	537,633	572,457
Deferred Inflows of Resources:					
Unavailable Revenues	8,802				8,802
Total Deferred Inflows of Resources	8,802	0	0	0	8,802
Fund Balances (Deficits):					
Restricted			236,109	98,210	334,319
Committed		5,779			5,779
Assigned	130				130
Unassigned	6,928				6,928
Total Fund Balances	7,058	5,779	236,109	98,210	347,156
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 50,678	$ 5,779	$ 236,115	$ 635,843	$ 928,415

Texas Department of Transportation
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Governmental Funds
For the Fiscal Year Ended August 31, 2021 (Amounts in Thousands)

	General Fund	Special Revenue Fund*	Debt Service Fund	Capital Projects Fund	Total Nonmajor Funds
REVENUES					
Legislative Appropriations:					
Original Appropriations	$ 229	$	$	$	$ 229
Additional Appropriations	301				301
Federal Revenues	67,570		36,564		104,134
Licenses, Fees and Permits	178				178
Interest and Investment Income		44	1,249	218	1,511
Sales of Goods and Services	313			145,765	146,078
Total Revenues	68,591	44	37,813	145,983	252,431
EXPENDITURES					
Transportation	118,590	4,338		25	122,953
Capital Outlay	471			227,983	228,454
Debt Service:					
Principal on State Bonds			384,050		384,050
Interest on State Bonds			309,273		309,273
Total Expenditures	119,061	4,338	693,323	228,008	1,044,730
Excess (Deficiency) of Revenues Over (Under) Expenditures	(50,470)	(4,294)	(655,510)	(82,025)	(792,299)
OTHER FINANCING SOURCES (USES)					
Transfers In	37,828		661,464		699,292
Transfers Out				(145,765)	(145,765)
Long-Term Debt Issued				325,700	325,700
Premium/Discount on Bonds Issued				300	300
Sale of Capital Assets	3,555				3,555
Appropriations Lapsed	(73)				(73)
Total Other Financing Sources (Uses)	41,310	0	661,464	180,235	883,009
Net Change in Fund Balances	(9,160)	(4,294)	5,954	98,210	90,710
Fund Balances, September 1, 2020	16,218	10,073	230,155		256,446
Fund Balances, August 31, 2021	$ 7,058	$ 5,779	$ 236,109	$ 98,210	$ 347,156

*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 Fund	GAAP Fund	USAS D23 Funds
0001	0001	0001 - General Revenue Fund
0001	1000	1001 - Unappropriated General Revenue Fund

City County MTA & SPD Sales Tax Trust Account

Appropriated Fund	GAAP Fund	USAS D23 Funds
0882	0882	0882 - City County MTA & SPD Sales Tax

TexaSaver Hold Transmit Account - 401K Deferred Compensation

Appropriated Fund	GAAP Fund	USAS D23 Funds
0942	0942	0942 - 401K Payroll

Correction Account for Direct Deposit

Appropriated Fund	GAAP Fund	USAS D23 Funds
0980	0980	0980 - Direct Deposit Correction Fund
0980	0980	9014 - USPS-Direct Deposit Return

Miscellaneous - Utility Fund (Non-Cash)

Appropriated Fund	GAAP Fund	USAS D23 Funds
0999	0001	0998 - Mis-Utility Fund (Non-Cash)

Child Support Employee Deductions - Offset Account

Appropriated Fund	GAAP Fund	USAS D23 Funds
0807	0807	8070 - Child Support Addenda Deductions

Traffic Safety-Crash Records Information Systems

Appropriated Fund	GAAP Fund	USAS D23 Funds
0036	0036	0036 - Traffic Safety Crash Records

Colonias Projects Fund

Appropriated Fund	GAAP Fund	USAS D23 Funds
7604	7604	7604 - TPFA G.O. Commercial Paper Series 2002B Colonias Project Fund

Suspense Fund

Appropriated Fund	GAAP Fund	USAS D23 Funds
0900	0900	0090 - Suspense Fund
0900	0900	0900 - Suspense Fund
0900	0900	9015 - USPS-Overpayments To Employees
0900	0900	9016 - Warrant Hold Offset-Gc403.0551

Coronavirus Relief Fund

Appropriated Fund	GAAP Fund	USAS D23 Funds
0325	0325	0325 - Fed COVID - 19 Pandemic Relief Fund

Economic Stabilization Fund

Appropriated Fund	GAAP Fund	USAS D23 Funds
0599	0599	0599 - Economic Stabilization Fund

Texas Department of Transportation
Combining Balance Sheet - Nonmajor General Funds
August 31, 2021 (Amounts in Thousands)

	General Revenue Fund	Traffic Safety Crash Records	Suspense Fund	Coronavirus Relief Fund	Economic Stabilization Fund	Total
ASSETS						
Cash and Cash Equivalents:						
Cash in State Treasury	$	$	$ 3,913	$ 558	$	$ 4,471
Legislative Appropriations	16,017					16,017
Receivables:						
Federal				19,855		19,855
Due from Other Agencies					10,335	10,335
Total Assets	16,017	0	3,913	20,413	10,335	50,678
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Payables:						
Accounts	27			13,579	9,220	22,826
Payroll	130					130
Due to Other Funds			3,913	6,834	1,115	11,862
Total Liabilities	157	0	3,913	20,413	10,335	34,818
Deferred Inflows of Resources:						
Unavailable Revenues				8,802		8,802
Total Deferred Inflows of Resources	0	0	0	8,802	0	8,802
Fund Balances (Deficits):						
Assigned	130					130
Unassigned	15,730			(8,802)		6,928
Total Fund Balances	15,860	0	0	(8,802)	0	7,058
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 16,017	$ 0	$ 3,913	$ 20,413	$ 10,335	$ 50,678

Texas Department of Transportation
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor General Funds
For the Fiscal Year Ended August 31, 2021 (Amounts in Thousands)

	General Revenue Fund	Traffic Safety Crash Records	Suspense Fund	Coronavirus Relief Fund	Economic Stabilization Fund	Total
REVENUES						
Legislative Appropriations:						
Original Appropriations	$ 229	$	$	$	$	$ 229
Additional Appropriations	301					301
Federal Revenues				67,570		67,570
Licenses, Fees and Permits	178					178
Sales of Goods and Services	313					313
Total Revenues	1,021	0	0	67,570	0	68,591
EXPENDITURES						
Transportation	4,390	730		76,372	37,098	118,590
Capital Outlay	471					471
Debt Service:						
Total Expenditures	4,861	730	0	76,372	37,098	119,061
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,840)	(730)	0	(8,802)	(37,098)	(50,470)
OTHER FINANCING SOURCES (USES)						
Transfers In		730			37,098	37,828
Sale of Capital Assets	3,555					3,555
Appropriations Lapsed	(73)					(73)
Total Other Financing Sources (Uses)	3,482	730	0	0	37,098	41,310
Net Change in Fund Balances	(358)	0	0	(8,802)	0	(9,160)
Fund Balances, September 1, 2020	16,218	0	0	0	0	16,218
Fund Balances, August 31, 2021	$ 15,860	$ 0	$ 0	$ (8,802)	$ 0	$ 7,058

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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

Appropriated Fund	GAAP Fund	USAS D23 Funds
0008	0008	0010 - State Highway Debt Service Fund

Proposition 12 Debt Service Fund

Appropriated Fund	GAAP Fund	USAS D23 Funds
0008	0008	0022 - Proposition 12 Debt Service Fund

Texas Department of Transportation
Combining Balance Sheet - Nonmajor Debt Service Funds
August 31, 2021 (Amounts in Thousands)

	Prop 14 Debt Service Fund	Prop 12 Debt Service Fund	Total Nonmajor Debt Service Funds
ASSETS			
Cash and Cash Equivalents:			
Cash in State Treasury	$ 211,633	$ 6,296	$ 217,929
Federal	12,744		12,744
Due from Other Funds		5,442	5,442
Total Assets	$ 224,377	$ 11,738	$ 236,115
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Due to Other Funds	6		6
Total Liabilities	6	0	6
Fund Balances (Deficits):			
Nonspendable:			
Restricted	224,371	11,738	236,109
Total Fund Balances	224,371	11,738	236,109
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 224,377	$ 11,738	$ 236,115

Texas Department of Transportation
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Debt Service Funds
For the Fiscal Year Ended August 31, 2021 (Amounts in Thousands)

	Prop 14 Debt Service Fund	Prop 12 Debt Service Fund	Total
REVENUES			
Legislative Appropriations:			
Federal Revenues	$ 25,513	$ 11,051	$ 36,564
Interest and Investment Income	554	695	1,249
Total Revenues	26,067	11,746	37,813
EXPENDITURES			
Debt Service:			
Principal on State Bonds	248,615	135,435	384,050
Interest on State Bonds	162,786	146,487	309,273
Total Expenditures	411,401	281,922	693,323
Excess (Deficiency) of Revenues Over (Under) Expenditures	(385,334)	(270,176)	(655,510)
OTHER FINANCING SOURCES (USES)			
Transfers In	395,148	266,316	661,464
Total Other Financing Sources (Uses)	395,148	266,316	661,464
Net Change in Fund Balances	9,814	(3,860)	5,954
Fund Balances, September 1, 2020	214,557	15,598	230,155
Fund Balances, August 31, 2021	$ 224,371	$ 11,738	$ 236,109

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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

Appropriated Fund	GAAP Fund	USAS D23 Funds
0927	0927	0927 - Local Government Political Subdivision Road/Airport Account

TPFA Lease Revenue

Appropriated Fund	GAAP Fund	USAS D23 Funds
7517	7517	7517 - Austin Campus Consolidation Project Fund

Texas Department of Transportation
Combining Balance Sheet - Nonmajor Capital Projects Funds
August 31, 2021 (Amounts in Thousands)

	Local Government Political Subdivision Road/Airport Account	Austin Campus Consolidation Project Fund	Total
ASSETS			
Cash and Cash Equivalents:			
Cash in State Treasury	$ 521,892	$	$ 521,892
Receivables:			
Other Intergovernmental	145		145
Due from Other Funds	1,780		1,780
Due from Other Agencies		112,026	112,026
Total Assets	$ 523,817	$ 112,026	$ 635,843
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Payables:			
Accounts		13,816	13,816
Due to Other Funds	9,048		9,048
Unearned Revenues	514,769		514,769
Total Liabilities	523,817	13,816	537,633
Fund Balances:			
Restricted		98,210	98,210
Total Fund Balances	0	98,210	98,210
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 523,817	$ 112,026	$ 635,843

Texas Department of Transportation
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Capital Projects Funds
For the Fiscal Year Ended August 31, 2021 (Amounts in Thousands)

	Local Government Political Subdivision Road/Airport Account	Austin Campus Consolidation Project Fund	Total
REVENUES			
Interest and Investment Income	$	$ 218	$ 218
Sales of Goods and Services	145,765		145,765
Total Revenues	145,765	218	145,983
EXPENDITURES			
Transportation		25	25
Capital Outlay		227,983	227,983
Total Expenditures	0	228,008	228,008
Excess (Deficiency) of Revenues Over (Under) Expenditures	145,765	(227,790)	(82,025)
OTHER FINANCING SOURCES (USES)			
Transfers Out	(145,765)		(145,765)
Long-Term Debt Issued		325,700	325,700
Premium/Discount on Bonds Issued		300	300
Total Other Financing Sources (Uses)	(145,765)	326,000	180,235
Net Change in Fund Balances	0	98,210	98,210
Fund Balances, August 31, 2021	$ 0	$ 98,210	$ 98,210

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Section Three

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**

Financial Trends Information
These schedules contain trend information intended to help the reader understand how the department's financial position has changed over time.

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Revenue Capacity Information
These schedules contain information intended to help the reader assess the department's most significant revenue sources – taxes and federal revenues.

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Debt Capacity Information
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Demographic and Economic Information
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.

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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.

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

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

	2012	2013	2014	2015	2016
GOVERNMENTAL ACTIVITIES					
Net Investment in Capital Assets	$ 62,448	$ 62,877	$ 67,775	$ 70,083	$ 71,358
Restricted	975	774	292	394	3,438
Unrestricted	338	893	(1,139)	95	(212)
Total Governmental Activities Net Position	63,761	64,544	66,928	70,572	74,584
BUSINESS-TYPE ACTIVITIES					
Net Investment in Capital Assets	512	690	637	621	638
Restricted	7	35	65	115	161
Unrestricted	(92)	(176)	(246)	(327)	(475)
Total Business-Type Activities Net Position	427	549	456	409	324
PRIMARY GOVERNMENT					
Net Investment in Capital Assets	63,567	68,412	70,704	70,704	71,996
Restricted	809	357	509	509	3,599
Unrestricted	717	(1,385)	(232)	(232)	(687)
Total Primary Government Net Position	$ 65,093	$ 67,384	$ 70,981	$ 70,981	$ 74,908

	2017	2018	2019	2020	2021
GOVERNMENTAL ACTIVITIES					
Net Investment in Capital Assets	$ 76,120	$ 79,966	$ 85,381	$ 92,952	$ 102,427
Restricted	2,666	5,552	7,964	8,298	8,642
Unrestricted	(114)	(4,261)	(3,855)	(4,032)	(6,061)
Total Governmental Activities Net Position	78,672	81,257	89,490	97,218	105,008
BUSINESS-TYPE ACTIVITIES					
Net Investment in Capital Assets	597	558	769	719	752
Restricted	272	344	379	406	431
Unrestricted	(619)	(692)	(759)	(849)	(1,090)
Total Business-Type Activities Net Position	250	210	389	276	93
PRIMARY GOVERNMENT					
Net Investment in Capital Assets	80,524	86,150	93,671	93,671	103,179
Restricted	5,896	8,343	8,704	8,704	9,073
Unrestricted	(4,953)	(4,614)	(4,881)	(4,881)	(7,151)
Total Primary Government Net Position	$ 81,467	$ 89,879	$ 97,494	$ 97,494	$ 105,101

Source: Fiscal 2012 - 2021 TxDOT financial statements

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
GOVERNMENTAL ACTIVITIES:										
Expenses										
Transportation	$ 4,907	$ $5,829	$ $5,688	$ $5,710	$ $5,686	$ $6,135	$ $6,475	$ $6,048	$ $6,981	$ $6,463
Total Expenses	4,907	5,829	5,688	5,710	5,686	6,135	6,475	6,048	6,981	6,463
Program Revenues:										
Charges for Services	707	742	779	746	916	1,114	1,277	1,148	1,141	1,126
Operating Grants and Contributions	2,898	2,870	3,417	3,297	3,942	3,835	3,972	4,483	5,901	4,422
Capital Grants and Contributions	35	30	90	52	39	50	62	117	37	55
Total Program Revenues	3,640	3,642	4,286	4,095	4,897	4,999	5,311	5,748	7,079	5,603
Total Governmental Activities										
Net Program Expense	(1,267)	(2,187)	(1,402)	(1,615)	(789)	(1,136)	(1,164)	(300)	98	(860)
General Revenues:										
Appropriations	53	12	598	195	219	269	1		17	
Taxes	2,378	2,407	2,488	3,747	3,035	3,447	6,589	6,970	6,012	6,830
Unrestricted Investment Earnings	48	29	37	34	52	77	99	166	141	86
Settlement of Claims	23	12	17	22	48	28	21	42	34	44
Motor Vehicle & Mfg Housing										237
Other General Revenues	2	2	23	9	17	9	4	4		2
Gain on Sale of Capital Assets	5	1		48	53			2	18	
Capital Contributions			(153)							
Transfers - Internal Activities	(55)	(225)	(33)	(2)	(2)	(5)	(26)	(195)	(30)	(39)
Transfers - Other State Agencies	592	616	842	2,529	1,379	1,399	1,496	1,544	1,438	1,584
Total General Revenues, Contributions and Transfers	3,046	2,854	3,819	6,582	4,801	5,224	8,184	8,533	7,630	8,744
Changes in Net Position - Governmental Activities	$ 4,313	$ 667	$ 2,417	$ 4,967	$ 4,012	$ 4,088	$ 7,020	$ 8,233	$ 7,728	$ 7,884
BUSINESS-TYPE ACTIVITIES:										
Expenses										
Transportation	$ 216	$ 229	$ 249	$ 252	$ 353	$ 452	$ 491	$ 559	$ 593	$ 607
Total Expenses	216	229	249	252	353	452	491	559	593	607
Program Revenues:										
Charges for Services	86	119	155	194	256	359	397	455	403	377
Operating Grants and Contributions			7	2	2	14	23	77	47	9
Capital Grants and Contributions								12		
Total Program Revenues	86	119	162	196	258	373	420	544	450	386
Total Business-Type Activities										
Net Program Expense	(130)	(110)	(87)	(56)	(95)	(79)	(71)	(15)	(143)	(221)
General Revenues:										
Appropriations										
Taxes										
Unrestricted Investment Earnings	6	6		5	8					
Settlement of Claims	1	1					5			
Motor Vehicle & Mfg Housing										
Capital Contributions				2						
Other General Revenues										
Transfers - Internal Activities	55	225	33	2	2	5	26	195	29	39
Transfers - Other State Agencies										
Total General Revenues, Contributions and Transfers	62	232	33	9	10	5	31	195	29	39
Changes in Net Position - Business-Type Activities	(68)	122	(54)	(47)	(85)	(74)	(40)	180	(114)	(182)
Changes in Net Position - Primary Government	$ 4,245	$ 789	$ 2,363	$ 4,920	$ 3,927	$ 4,014	$ 6,980	$ 8,413	$ 7,614	$ 7,702

Source: Fiscal 2012 - 2021 TxDOT financial statements

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
STATE HIGHWAY FUND										
Nonspendable	$ 125	$ 142	$ 139	$ 181	$ 162	$ 154	$ 146	$ 139	144	147
Restricted	914	533	855	2,388	2,622	2,227	3,710	5,485	6,956	6,915
Committed	202		1,843	1,411	1,140	927	788	720	454	671
Assigned			723	39	573	877	1,320	1,119		301
Unassigned	(511)	(688)								
Total State Highway Fund	$ 730	$ (13)	$ 3,560	$ 4,019	$ 4,497	$ 4,185	$ 5,964	$ 7,463	$ 7,554	$ 8,034
TEXAS MOBILITY FUND										
Restricted	$ 1,109	$ 1,197	$ 373	$ 1,191	$ 1,081	$ 910	$ 546	$ 219	218	242
Committed								192	103	148
Unassigned				(19)						
Total Texas Mobility Fund	$ 1,109	$ 1,197	$ 373	$ 1,172	$ 1,081	$ 910	$ 546	$ 411	$ 321	$ 390
ALL OTHER GOVERNMENTAL FUNDS										
Restricted	$ 258	$ 319	$ 140	$ 442	$ 503	$ 874	$ 605	$ 351	230	334
Committed			222	153	72	25	10	11	10	6
Assigned		2	2	1	6	5				
Unassigned	76	21	(486)	20		7	5	2	16	7
Total All Other Governmental Funds	$ 334	$ 342	$ (122)	$ 616	$ 581	$ 911	$ 620	$ 364	$ 256	$ 347

Source: Fiscal 2012 - 2021 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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
REVENUES										
Legislative Appropriations:										
Original Appropriations	$ 116	$ 12	$ 610	$ 196	$ 219	$ 273	$ 1	$ 1	$ 17	$
Additional Appropriations	1	1	1	1	1	1	1	1		
Taxes	2,366	2,419	2,488	2,583	3,760	3,115	5,976	6,686	6,546	6,744
Federal Revenues	2,886	2,874	3,419	3,230	3,993	3,840	3,891	4,258	5,291	5,279
Federal Pass-Through Revenues	6	1			1	1	13	4	40	
Licenses, Fees and Permits	494	469	425	393	462	504	524	562	560	579
Interest & Investment Income	49	52	37	34	52	78	99	166	141	86
Land Income	10	16	14	16	12	13	23	30	19	21
Settlement of Claims	23	12	17	22	47	28	21	42	34	44
Sales of Goods and Services	190	216	226	171	135	280	441	315	251	208
Other Revenues	2	2	23	9	17	10	4	5		4
Total Revenues	6,143	6,074	7,260	6,655	8,699	8,143	10,994	12,070	12,899	12,965
EXPENDITURES										
Transportation	3,683	4,566	3,503	3,484	3,524	3,595	3,696	3,954	4,278	3,643
Capital Outlay	3,215	3,225	5,209	5,198	6,052	6,700	6,444	7,292	8,881	9,356
Debt Service:										
Principal on State Bonds	181	194	377	278	272			437	518	490
Principal on Pass-Through Tolls	58	105	105	112	121	314	412	158	118	122
Interest on State Bonds	528	537	590	567	613	109	111	671	674	546
Other Financing Fees	6	6	12	16	9	665	688	2	14	1
Total Expenditures						11	1			
	7,671	8,633	9,796	9,655	10,591	11,394	11,352	12,514	14,483	14,158
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,528)	(2,559)	(2,536)	(3,000)	(1,892)	(3,251)	(358)	(444)	(1,584)	(1,193)
OTHER FINANCING RESOURCES (USAS)										
Transfers In	2,024	1,865	2,315	3,746	2,006	2,250	2,509	2,750	2,401	2,538
Transfers Out	(1,487)	(1,245)	(1,476)	(1,219)	(627)	(851)	(1,035)	(1,209)	(966)	(955)
Long-Term Debt Issued**		1,104	645	2,160	615	1,475				326
Insurance Recoveries										
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)	
Sale of Capital Assets	13	6	18	73	68	12	9	12	27	18
Upfront Payment - Service Concession Arrangement					26			1		
Appropriations Lapsed	(64)		(12)	(1)		(4)	(1)	(2)		
Total Other Financing Sources (Uses)	486	1,730	1,556	5,034	2,225	3,098	1,482	1,552	1,477	1,927
Net Change in Fund Balances	(1,042)	(829)	(980)	2,034	333	(153)	1,124	1,108	(107)	734
Fund Balance, Beginning Fiscal Year	3,215	2,386	1,588	6,868	5,826	6,159	7,283	8,391	8,284	8,037
Restatements	-	182	3,246	-	-	-	-	-	(140)	-
Fund Balance, Ending Fiscal Year	$ 2,173	$ 1,557	$ 3,854	$ 8,902	$ 6,159	$ 6,006	$ 8,407	$ 9,499	$ 8,037	$ 8,771
Debt Service as a Percentage of Noncapital Expenditures	13.2%	11.9%	15.2%	15.2%	16.2%	9.0%	10.7%	15.9%	14.1%	13.9%

* This table comprises the following funds: general, special revenue, debt service, and capital projects.
** In fiscal 2012-2015, Long-Term Debt Issued was reported under Bond & Note Proceeds line.

Source: Fiscal 2012 - 2021 TxDOT financial statements

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

	Motor Fuels Tax*			Crude Oil Production Tax**			Natural Gas Production Tax **			Sales & Use Tax***		
Fiscal Year	Gallons Sold	State Receipts	TxDOT Receipts	Gallons Produced	State Receipts	TxDOT Receipts	Gallons Produced	State Receipts	TxDOT Receipts	State Receipts	TxDOT Receipts	Total TxDOT Receipts
2012	15,985	$ 3,169	$ 2,311	532	$ 2,102	$	7,738	$ 1,535	$	$ 24,191	$ 42	$ 2,353
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	1,437	3,449	1,012	9,405	1,569	122	36,020	2,500	6,218

* 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.

*** rental tax to the state highway fund.
TxDOT started receiving Prop 7 funds in fiscal 2018. TxDOT received $237.7 million, the first 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

Fiscal Year	Motor Fuel Tax Rate*	Motor Fuel Tax Rate**	Crude Oil Production Tax Rate	Natural Gas Production Tax Rate	Sales and Use Tax Rate
2012	0.20%	0.15%	4.29%	7.50%	6.25%
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%	4.53%	7.50%	6.25%
2021	0.20%	0.15%	4.54%	7.50%	6.25%

* Tax rate for Gasoline and Diesel Fuel
** Tax rate for Liquified Gas and Liquified and Compressed Natural Gas

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)

Fiscal Year	Federal Revenue	Increase /Decrease	Percentage Change
2012	$ 2,887	$ (145)	(4.8) %
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) %

Source: Fiscal 2012 - 2021 TxDOT financial statements

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

Fiscal Year	Annual Vehicle Transactions	Annual Toll Revenue, Net	Increase/ Decrease	Toll Revenue Percentage Change	Toll Rate per Transaction
2012	$ 93,883,708	$ 79,940,960	$ 7,523,206	10.4%	$ 0.85
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	329,067,993	346,545,218	(25,292,388)	(6.8)%	1.05

Note: The above numbers are for Central Texas Turnpike System for fiscal 2012-2021 and Grand Parkway Transportation Corporation for

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)

	Government Activities			Business-Type Activities						
Fiscal Year	General Obligation Bonds	Revenue Bonds	Notes and Loans	Revenue Bonds	Notes and Loans	Total Primary Governmen t	Personal Income	Percentage of Personal Income	Population	Per Capita**
2012	$ 7,113	$ 4,055	$ 1,128	$ 1,617	$ 1,058	$ 14,971	$ 1,110,021	1.3%	26.0	$ 576
2013	8,121	3,928	1,186	4,545	1,083	18,863	1,155,594	1.6%	26.4	715
2014	7,868	4,538	1,210	3,875	1,877	19,368	1,225,107	1.6%	26.9	720
2015	10,188	4,396	1,183	5,133	758	21,658	1,278,696	1.7%	27.3	793
2016	10,795	4,223	1,094	5,166	746	22,024	1,271,970	1.7%	27.8	792
2017	11,247	4,733	1,308	5,089	863	23,240	1,343,347	1.7%	28.2	824
2018	10,971	4,470	1,256	6,107	1,552	24,356	1,442,365	1.7%	28.5	855
2019	10,683	4,202	1,119	6,387	1,575	23,966	1,516,708	1.6%	28.8	832
2020	10,354	3,941	1,035	7,514	637	23,481	1,597,923	1.5%	29.2	804
2021	10,048	3,650	1,260	7,505	626	23,089	1,701,222	1.4%	29.4	785

* 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 2012 - 2021 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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Bonded Debt (General Obligation Bonds Only)	$ 7,113	$ 8,121	$ 7,868	$ 10,188	$ 10,795	$ 11,247	$ 10,971	$ 10,683	$ 10,354	$ 10,048
Percentage Bonded Debt Change From Prior Year	(1.1) %	14.2 %	(3.1) %	29.5 %	6.0 %	4.2 %	(2.5) %	(2.6) %	(3.1) %	(3.0) %
Tax Collections**	$ 44,171	$ 47,857	$ 51,413	$ 51,096	$ 47,971	$ 50,194	$ 55,963	$ 59,785	$ 57,324	$ 61,347
Percentage Bonded Debt to Tax Collections	16.1 %	17.0 %	15.3 %	19.9 %	22.5 %	22.4 %	19.6 %	17.9 %	18.1 %	16.4 %
Resident Population	26.0	26.4	26.9	27.3	27.8	28.2	28.5	28.8	29.2	29.4
General Bonded Debt Per Capita	$ 273.58	$ 307.61	$ 292.49	$ 373.19	$ 388.31	$ 398.83	$ 384.95	$ 370.95	$ 354.59	$ 341.77

* 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

** Fiscal 2021 Tax Collections is an estimate.

Source: Bonded debt and tax collection amounts are from the fiscal 2012 - 2021 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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020
GOVERNMENTAL ACTIVITIES									
State Highway Fund Revenue Bonds									
Pledged Revenue Amount	$ 6,552	$ 6,762	$ 7,441	$ 7,427	$ 8,267	$ 8,450	$ 8,407	$ 8,973	$ 9,362
Operating Expenditures	6,308	6,584	7,242	7,791	8,553	9,563	9,334	10,587	12,938
Net Available Revenue	$ 244	$ 178	$ 199	$ (364)	$ (286)	$ (1,113)	$ (927)	$ (1,614)	$ (3,576)
Debt Service -									
Principal	$ 115	$ 120	$ 126	$ 132	$ 139	$ 145	$ 216	$ 226	$ 154
Interest	200	195	189	198	176	195	206	186	151
Total Debt Service	$ 315	$ 315	$ 315	$ 331	$ 315	$ 340	$ 422	$ 412	$ 305
Coverage Ratio	0.8	0.6	0.6	(1.1)	(0.9)	(3.3)	(2.2)	(3.9)	(11.7)
BUSINESS-TYPE ACTIVITIES									
Central Texas Turnpike System									
Pledged Revenue Amount	$ 93	$ 125	$ 150	$ 169	$ 179	$ 208	$ 224	$ 266	$ 229
Operating Expenditures	73	67	107	110	101	106	111	110	133
Net Available Revenue	$ 20	$ 58	$ 43	$ 59	$ 78	$ 102	$ 113	$ 156	$ 96
Debt Service -									
Principal	$ 5	$ 8	$ 10	$ 8	$ 2	$ 8	$ 14	$ 20	$ 27
Interest	71	72	66	92	107	107	107	107	101
Total Debt Service	$ 76	$ 80	$ 76	$ 100	$ 109	$ 115	$ 121	$ 127	$ 128
Coverage Ratio	0.3	0.7	0.6	0.6	0.7	0.9	0.9	1.2	0.8
Grand Parkway Transportation Corporation*									
Pledged Revenue Amount	N/A	N/A	N/A	N/A	$ 86	$ 162	$ 186	$ 229	$ 201
Operating Expenditures	N/A	N/A	N/A	N/A	77	94	101	108	112
Net Available Revenue	N/A	N/A	N/A	N/A	$ 9	$ 68	$ 85	$ 121	$ 89
Debt Service -									
Principal	N/A	N/A	N/A	N/A	$	$	$	$	$
Interest	N/A	N/A	N/A	N/A	111	105	90	152	131
Total Debt Service	N/A	N/A	N/A	N/A	$ 111	$ 105	$ 90	$ 152	$ 131
Coverage Ratio	N/A	N/A	N/A	N/A	0.1	0.6	0.9	0.8	0.7
SH249 System**									
Pledged Revenue Amount	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$ 2	$ 1
Operating Expenditures	N/A	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	N/A	$ 2	$ 1
Debt Service -									
Principal	N/A	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	N/A	3	8
Total Debt Service	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$ 3	$ 8
Coverage Ratio	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.5	0.2

* Grand Parkway Transportation Corporation published its first annual financial report in fiscal 2016.
** SH249 issued bonds in fiscal 2019.

Source: Fiscal 2012 - 2021 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*

	Population (Thousands)				Total Personal Income (Millions)				Per Capita Income			
Year	Texas	Percent Changes	U.S.	Percent Changes	Texas	Percent Changes	U.S.	Percent Changes	Texas	Percent Changes	U.S.	Percent Changes
2012	26,131	1.7%	314,579	0.7%	$ 1,132,222	7.0%	$ 14,010,140	5.1%	$ 43,329	5.3%	$ 44,536	4.4%
2013	26,546	1.6%	316,995	0.8%	1,159,722	2.4%	14,181,094	1.2%	43,687	0.8%	44,736	0.4%
2014	27,028	1.8%	319,560	0.8%	1,248,710	7.7%	14,991,716	5.7%	46,201	5.8%	46,914	4.9%
2015	27,521	1.8%	322,178	0.8%	1,278,810	2.4%	15,724,240	4.9%	46,467	0.6%	48,806	4.0%
2016	27,957	1.6%	324,735	0.8%	1,278,552	0.0%	16,160,715	2.8%	45,733	(1.6)%	49,766	2.0%
2017	28,330	1.3%	326,967	0.7%	1,369,329	7.1%	16,948,592	4.9%	48,335	5.7%	51,836	4.2%
2018	28,672	1.2%	328,823	0.6%	1,463,962	6.9%	17,851,832	5.3%	51,059	5.6%	54,290	4.7%
2019	29,046	1.3%	330,435	0.5%	1,531,346	4.6%	18,551,504	3.9%	52,721	3.3%	56,143	3.4%
2020	29,395	1.2%	331,546	0.3%	1,610,182	5.1%	19,727,922	6.3%	54,777	3.9%	59,503	6.0%
2021**	29,678	1.0%	332,002	0.1%	1,708,727	6.1%	21,029,522	6.6%	57,576	5.1%	63,342	6.5%

*The schedule includes the last ten calendar years. Prior years numbers are subject to revisions.
** Numbers for 2021 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*

	Nonfarm Employment (Thousands)				Unemployment Percentage Rate	
Year	Texas	Percent Changes	U.S.	Percent Changes	Texas	U.S.
2012	10,918	3.0%	134,157	1.7%	6.7%	8.1%
2013	11,244	3.0%	136,356	1.6%	6.3%	7.4%
2014	11,597	3.1%	138,922	1.9%	5.2%	6.2%
2015	11,868	2.3%	141,804	2.1%	4.5%	5.3%
2016	12,018	1.3%	144,333	1.8%	4.6%	4.9%
2017	12,232	1.8%	146,595	1.6%	4.3%	4.4%
2018	12,524	2.4%	148,893	1.6%	3.9%	3.9%
2019	12,814	2.3%	150,900	1.3%	3.5%	3.7%
2020	12,267	(4.3)%	142,252	(5.7)%	7.7%	8.1%
2021**	12,632	3.0%	146,372	2.9%	5.6%	5.4%

*The schedule includes the last ten calendar years. Prior years numbers are subject to revisions.
**Numbers for 2021 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)

EMPLOYMENT BY INDUSTRY	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021**
GOODS-PRODUCING										
Natural Resrouces and Mining	271	289	311	273	213	222	246	249	192	186
Construction	584	613	651	683	700	712	740	774	736	729
Manufacturing										
Durables	578	583	591	579	543	543	565	584	552	543
Nondurables	293	293	297	300	305	310	317	323	317	322
Total, Good-Producing	1,725	1,778	1,850	1,835	1,761	1,787	1,868	1,930	1,797	1,780
SERVICE-PROVIDING										
Trade, Transportation, and Utilities										
Whoesale Trade	525	542	561	573	569	577	596	609	590	601
Retail Trade	1,186	1,221	1,257	1,298	1,324	1,328	1,329	1,322	1,279	1,320
Transportation and Warehousing	402	415	434	458	471	490	509	532	549	585
Utilities	48	48	49	49	49	50	51	52	52	51
Information	197	201	202	200	202	203	205	209	198	205
Financial Activities										
Finance and Insurance	482	496	504	518	532	547	557	573	585	589
Real Estate and Rental and Leasing	180	188	197	201	205	214	222	229	219	225
Professional and Business Services										
Professional, Scientific and Technical	627	652	685	717	733	750	783	825	833	866
Management, Administrative and Support	797	832	872	893	908	929	956	971	927	986
Educational and Health Services										
Educational Services, Private	167	174	180	188	195	202	208	216	208	218
Health Care and Social Assistance	1,280	1,312	1,341	1,389	1,430	1,464	1,491	1,526	1,489	1,510
Leisure and Hospitality	1,086	1,140	1,188	1,241	1,290	1,319	1,357	1,396	1,178	1,312
Other Services	386	400	413	420	424	427	436	446	398	417
Government										
Federal Civilian	199	197	193	194	198	200	201	204	215	211
State and Local	1,631	1,648	1,671	1,694	1,727	1,745	1,755	1,774	1,750	1,756
Total, Service-Providing	9,193	9,466	9,747	10,033	10,257	10,445	10,656	10,884	10,470	10,852
Total Nonfarm Employment	10,918	11,244	11,597	11,868	12,018	12,232	12,524	12,814	12,267	12,632

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

**Numbers for 2021 include some estimates for the latter part of the year.

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

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

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

	2012	2013	2014	2015	2016
FTE Cap*	12,203	12,203	12,087	12,087	11,900
FTE	11,558	11,614	11,647	11,574	11,795
Contractor	205	108	68	72	77
Total Usage	11,763	11,722	11,715	11,646	11,872
Over/Under	(440)	(481)	(372)	(441)	(28)

	2017	2018	2019	2020	2021
FTE Cap	11,900	12,214	12,214	12,527	12,527
FTE	11,369	11,597	11,886	12,097	12,164
Contractor	36	20	19	17	20
Total Usage	11,405	11,617	11,905	12,113	12,184
Over/Under	(496)	(595)	(310)	(414)	(343)

* 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 2012 and $7,010,653 in fiscal 2013 in State Highway Funds and 116.0 FTEs in each fiscal year of the 2012-2013 biennium to the Department of Motor Vehicles from the Department of Transportation. Pursuant to SB 1420 and Article IX, §18.92, the functions of and appropriations to the Department of Transportation relating to oversize and overweight vehicles will be transferred to the Department of Motor Vehicles no later than Jan. 1, 2012.

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.

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

	2012	2013	2014	2015	2016
Interstate Condition	82.0 %	80.3 %	77.8 %	76.6 %	78.6 %
Non-Interstate Condition	77.7 %	77.4 %	76.0 %	75.3 %	77.5 %
Central Texas Turnpike System	86.3 %	85.1 %	83.4 %	79.0 %	76.9 %
Grand Parkway Transportation Corporation	N/A	N/A	N/A	N/A	N/A

	2017	2018	2019	2020*	2021**
Interstate Condition	80.8 %	80.3 %	80.9 %	80.0 %	82.7 %
Non-Interstate Condition	77.8 %	77.8 %	79.6 %	78.1 %	79.5 %
Central Texas Turnpike System	81.9 %	79.7 %	84.9 %	N/A %	N/A
Grand Parkway Transportation Corporation	N/A	N/A	N/A	N/A	N/A

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.

*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)

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*

	2012	2013	2014**	2015**	2016
Interstate highways	3,237	3,272	3,415	3,417	3,417
U.S.highways	12,100	12,062	11,900	11,905	11,905
State highways	16,364	16,411	16,396	16,390	16,390
Farm or Ranch to Market roads	40,935	40,933	40,931	40,910	40,910
Frontage roads	7,258	7,245	7,336	7,453	7,453
Park roads	339	345	345	348	348
Total Miles	80,233	80,268	80,323	80,423	80,423

	2017***	2018	2019	2020	2021
Interstate highways	3,436	3,459	3,459	3,459	3,463
U.S.highways	11,887	11,851	11,852	11,852	11,860
State highways	16,426	16,390	16,380	16,404	16,420
Farm or Ranch to Market roads	40,910	40,849	40,846	40,853	40,857
Frontage roads	7,476	7,546	7,570	7,685	7,769
Park roads	348	349	349	352	351
Total Miles	80,483	80,444	80,456	80,606	80,720

* The information are for roadways under TxDOT's jursidiction.

** Total public roadway mileage was held constant from calendar year 2014 to 2015 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

	2012	2013	2014	2015	2016
Total Lane Miles	196,821	197,202	197,142	197,757	197,549
Rated Lane Miles	190,918	190,695	190,798	191,049	192,990
Good or Better Lane Miles	165,090	168,441	166,351	166,055	168,521
% Good or Better Lane Miles	86.5 %	88.3 %	87.2 %	86.9 %	87.3 %
% Change from Prior Year	(0.1) %	2.0 %	(1.2) %	(0.2) %	1.5 %

	2017	2018	2019	2020	2021
Total Lane Miles	197,295	197,438	197,558	198,700	201,225
Rated Lane Miles	196,438	196,120	195,287	197,188	200,030
Good or Better Lane Miles	169,522	172,442	171,804	175,094	178,643
% Good or Better Lane Miles	86.3 %	87.9 %	88.0 %	88.8 %	89.3 %
% Change from Prior Year	0.6 %	1.7 %	(0.4) %	1.9 %	2.0 %

Source: TxDOT's Transportation Planning and Program Division

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, 2021

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal ALN	Pass-Through From Agency Number	Pass-Through From State Entities	Pass-Through From Other Entities	Direct Program Amount
			$	$	$
Federal Aviation Administration (FAA):					
Direct Program:					
Airport Improvement Program	20.106				52,161,187.42
COVID-19 - Airport Improvement Program	20.106				2,579,987.36
Pass-Through Funds to Other Entities:					
Airport Improvement Program	20.106				827,863.02
COVID-19 - Airport Improvement Program	20.106				2,694,023.99
Total FAA:			0.00	0.00	58,263,061.79
Federal Highway Administration (FHWA):					
Direct Program:					
Highway Research and Development Program	20.200				98,311.84
Total FHWA:			0.00	0.00	98,311.84
Federal Railroad Administration (FRA):					
Direct Program:					
Railroad Safety	20.301				(4,143.48)
Railroad Development	20.314				6,284,839.75
Total FRA:			0.00	0.00	6,280,696.27
Federal Transit Administration (FTA):					
Direct Program:					
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505				1,548,634.69
Formula Grants for Rural Areas and Tribal Transit Program	20.509				770,473.15
Rail Fixed Guideway Public Transportation System State Safety Oversight Formula Grant Program	20.528				489,382.48
Pass-Through Funds to Other Entities:					
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505				844,023.29
Formula Grants for Rural Areas and Tribal Transit Program	20.509				51,806,223.84
COVID-19 - Formula Grants for Rural Areas and Tribal Transit Program	20.509				43,259,674.06
Total FTA:			0.00	0.00	98,718,411.51
National Highway Traffic Safety Admin. (NHTSA):					
Direct Program:					
NHTSA Discretionary Safety Grants	20.614				273,001.85
Total NHTSA:			0.00	0.00	273,001.85
Office of the Secretary (OST) Administration Secretariat:					
Pass-Through Funds to Other Entities:					
National Infrastructure Investments	20.933				1.00
Total OST:			0.00	0.00	1.00
General Services Administration (GSA):					
Pass-Through Funds:					
Donation of Federal Surplus Personal Property-NonMonetary Pass-Through from Texas Facilities Commission	39.003	303	135,242.70		
Total GSA:			135,242.70	0.00	0.00
Environmental Protection Agency (EPA):					
Direct Program:					
Diesel Emission Reduction Act (DERA) National Grants	66.039				925,235.67
Total EPA:			0.00	0.00	925,235.67
Department of Homeland Security (DHS):					
Pass-Through Funds:					
Disaster Grants - Public Assistance Pass-Through from Texas Division of Emergency Management	97.036	575	425,723.83		
Total DHS:			425,723.83	0.00	0.00

Through From and Direct Program	Pass-Through To Agency Number	State Entities	Other Entities	Expenditures	Through To and Expenditures Amount
$		$	$	$	$
52,161,187.42				52,161,187.42	52,161,187.42
2,579,987.36				2,579,987.36	2,579,987.36
827,863.02			827,863.02		827,863.02
2,694,023.99			2,694,023.99		2,694,023.99
58,263,061.79		0.00	3,521,887.01	54,741,174.78	58,263,061.79
98,311.84				98,311.84	98,311.84
98,311.84		0.00	0.00	98,311.84	98,311.84
(4,143.48)				(4,143.48)	(4,143.48)
6,284,839.75				6,284,839.75	6,284,839.75
6,280,696.27		0.00	0.00	6,280,696.27	6,280,696.27
1,548,634.69				1,548,634.69	1,548,634.69
770,473.15				770,473.15	770,473.15
489,382.48				489,382.48	489,382.48
844,023.29			844,023.29		844,023.29
51,806,223.84			51,806,223.84		51,806,223.84
43,259,674.06			43,259,674.06		43,259,674.06
98,718,411.51		0.00	95,909,921.19	2,808,490.32	98,718,411.51
273,001.85				273,001.85	273,001.85
273,001.85		0.00	0.00	273,001.85	273,001.85
1.00			1.00		1.00
1.00		0.00	1.00	0.00	1.00
135,242.70				135,242.70	135,242.70
135,242.70		0.00	0.00	135,242.70	135,242.70
925,235.67				925,235.67	925,235.67
925,235.67		0.00	0.00	925,235.67	925,235.67
425,723.83				425,723.83	425,723.83
425,723.83		0.00	0.00	425,723.83	425,723.83

TEXAS DEPARTMENT OF TRANSPORTATION
SCHEDULE 1A-SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended August 31, 2021

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through From Agency Number	Pass-Through From State Entities	Pass-Through From Other Entities	Direct Program Amount
			$	$	$
Other Clusters					
Federal Transit Cluster:					
Federal Transit Administration (FTA):					
Direct Program:					
Bus and Bus Facilities Formula Program	20.526				(71,138.52)
Pass-Through Funds to Other Entities:					
Bus and Bus Facilities Formula Program	20.526				17,200,427.44
Total FTA:			0.00	0.00	17,129,288.92
Transit Services Programs Cluster:					
Federal Transit Administration (FTA):					
Direct Program:					
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513				(592.96)
Pass-Through to Other Entities:					
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513				6,144,708.00
COVID-19 - Enhanced Mobility of Seniors and Individuals with Disabilities	20.513				127,269.20
Total FTA:			0.00	0.00	6,271,384.24
Highway Planning and Construction Cluster:					
Federal Highway Administration (FHWA):					
Direct Program:					
Highway Planning and Construction	20.205				4,767,043,197.49
Federal Lands Access Program	20.224				2,448,269.90
Pass-Through Funds:					
Highway Planning and Construction					
Texas Southern University	20.205				93,542.03
University of Texas at El Paso	20.205				37,114.65
University of Texas at San Antonio	20.205				91,407.59
Texas State University	20.205				32,541.92
University of Houston - Downtown	20.205				49,294.30
Pass-Through to Other Entities	20.205				223,661,172.62
Total FHWA:			0.00	0.00	4,993,456,540.50

Through From and Direct Program	Pass-Through To Agency Number	State Entities	Other Entities	Expenditures	Through To and Expenditures Amount
$		$	$	$	$
(71,138.52)				(71,138.52)	(71,138.52)
17,200,427.44			17,200,427.44		17,200,427.44
17,129,288.92		0.00	17,200,427.44	(71,138.52)	17,129,288.92
(592.96)				(592.96)	(592.96)
6,144,708.00			6,144,708.00		6,144,708.00
127,269.20			127,269.20		127,269.20
6,271,384.24		0.00	6,271,977.20	(592.96)	6,271,384.24
4,767,043,197.49				4,767,043,197.49	4,767,043,197.49
2,448,269.90				2,448,269.90	2,448,269.90
93,542.03	717	93,542.03			93,542.03
37,114.65	724	37,114.65			37,114.65
91,407.59	743	91,407.59			91,407.59
32,541.92	754	32,541.92			32,541.92
49,294.30	784	49,294.30			49,294.30
223,661,172.62			223,661,172.62		223,661,172.62
4,993,456,540.50		303,900.49	223,661,172.62	4,769,491,467.39	4,993,456,540.50

TEXAS DEPARTMENT OF TRANSPORTATION
SCHEDULE 1A-SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Concluded)
Year Ended August 31, 2021

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through From Agency Number	Pass-Through From State Entities	Pass-Through From Other Entities	Direct Program Amount
		$	$	$	
Highway Safety Cluster:					
National Highway Traffic Safety Admin. (NHTSA):					
Direct Program:					
State and Community Highway Safety	20.600				2,570,885.83
National Priority Safety Programs	20.616				9,414,580.77
Pass-Through Funds:					
State and Community Highway Safety					
Texas Department of Public Safety	20.600				281,330.56
Texas Alcoholic Beverage Commission	20.600				103,444.76
Texas Department of State Health Services	20.600				335,699.55
Texas A&M AgriLife Extension Service	20.600				2,266,105.12
University of Texas at Arlington	20.600				265,859.11
Texas A&M Engineering Extension Service	20.600				154,007.00
University of Texas Medical Branch at Galveston	20.600				63,622.93
Texas A&M Transportation Institute	20.600				2,808,552.36
Texas State University	20.600				125,803.57
National Priority Safety Programs					
Texas Department of Public Safety	20.616				878,921.56
Texas Alcoholic Beverage Commission	20.616				206,819.29
Texas Department of State Health Services	20.616				978,751.62
Texas A&M Transportation Institute	20.616				806,344.40
Sam Houston State University	20.616				611,315.16
Pass-Through to Other Entities					
State and Community Highway Safety	20.600				11,182,774.80
National Priority Safety Programs	20.616				5,480,646.25
Total NHTSA:			0.00	0.00	38,535,464.64
Total Other Clusters			0.00	0.00	5,055,392,678.30
TOTAL FEDERAL ASSISTANCE		$	560,966.53	$ 0.00	$ 5,219,951,398.23

Total Pass-Through From and Direct Program	Pass-Through To Agency Number	Pass-Through To State Entities	Pass-Through To Other Entities	Expenditures	Total Pass-Through To and Expenditures Amount
$		$	$	$	$
2,570,885.83				2,570,885.83	2,570,885.83
9,414,580.77				9,414,580.77	9,414,580.77
281,330.56	405	281,330.56			281,330.56
103,444.76	458	103,444.76			103,444.76
335,699.55	537	335,699.55			335,699.55
2,266,105.12	555	2,266,105.12			2,266,105.12
265,859.11	714	265,859.11			265,859.11
154,007.00	716	154,007.00			154,007.00
63,622.93	723	63,622.93			63,622.93
2,808,552.36	727	2,808,552.36			2,808,552.36
125,803.57	754	125,803.57			125,803.57
878,921.56	405	878,921.56			878,921.56
206,819.29	458	206,819.29			206,819.29
978,751.62	537	978,751.62			978,751.62
806,344.40	727	806,344.40			806,344.40
611,315.16	753	611,315.16			611,315.16
11,182,774.80			11,182,774.80		11,182,774.80
5,480,646.25			5,480,646.25		5,480,646.25
38,535,464.64		9,886,576.99	16,663,421.05	11,985,466.60	38,535,464.64
5,055,392,678.30		10,190,477.48	263,796,998.31	4,781,405,202.51	5,055,392,678.30
$ 5,220,512,364.76		$ 10,190,477.48	$ 363,228,807.51	$ 4,847,093,079.77	$ 5,220,512,364.76

TEXAS DEPARTMENT OF TRANSPORTATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended August 31, 2021

Note 1 - Nonmonetary Assistance

The "Donation of Federal Surplus Personal Property" is presented at 23.34% of the federal acquisition cost of $579,446.00. The surplus property is passed through from the Texas Facilities Commission. The federal grantor agency is the General Services Administration (GSA) and the federal CFDA number is 39.003. The estimated fair market value (FMV) for fiscal year 2021 is $135,242.70. 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	$5,278,478,750.90
Federal Pass-Through Revenues	425,723.83
Subtotal	$5,278,904,474.73
Reconciling Items:	
Federal Surplus Personal Property Donation (Non-Monetary)	135,242.70
Build America Bonds Federal Subsidy	(58,527,352.67)
Total Pass-Through and Expenditures per Federal Schedule	$5,220,512,364.76

Note 7 - Federal Deferred Inflow

Federal Deferred Inflow September 1, 2020	$888,482,530.55
Increase	(859,082,049.33)
Federal Deferred Inflow August 31, 2021	$29,400,481.22

The federal deferred inflow ending balance of $29,400,481.22 pertains to federal expenditures which were incurred and are reimbursable from the Federal Highway Administration and the Federal Transit Administration, but the federal receivable is not collectable within 60 days after the end of the fiscal year. Federal ALN 20.205 applies to $20,598,629.02 and ALN 20.509 applies to $8,801,852.20.

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 2021, FEMA approved $425,723.83 eligible expenditures that were incurred in a prior year and are included in the fiscal 2021 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, 2021

Pass-Through To:	Grant ID	Amount
Airport Routine Maintenance	601.003	
Texas A&M University System (Agency 710)		$ 50,000.00
Airport Routine Maintenance	601.0030	
Texas State Technical College System (Agency 719)		$ 52,471.96
Total Pass-Through To Other Agencies		$ 102,471.96

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Schedule 2 - Bond Schedules

TEXAS DEPARTMENT OF TRANSPORTATION
SCHEDULE 2A - MISCELLANEOUS BOND INFORMATION
For the Fiscal Year Ended August 31, 2021

Governmental Activities

	Bonds Issued to Date	Range of Interest Rates		Terms of Variable Interest Rates *	Scheduled Maturities First Year	Scheduled Maturities Last Year	First Call Date
General Obligation Bonds:							
Texas Mobility Fund (Self-Supporting)							
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 SIFMA Index Bonds	250,000,000.00	VAR	VAR	Weekly	2041	2041	10/1/2021
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)	7,368,740,000.00						
Texas Highway Improvement (Non-Self-Supporting)							
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)	5,597,595,000.00						
Revenue Bonds:							
State Highway Fund (Self-Supporting)							
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-B1 Variable Rate Bonds	150,000,000.00	VAR	VAR	Weekly	2032	2032	**
Series 2014-B2 LIBOR Bonds	150,000,000.00	VAR	VAR	Monthly	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 Variable Rate Bonds	89,370,000.00	4.0000%	4.0000%		2025	2026	10/1/2021
Series 2020 Taxable Fixed Rate Refunding Bonds	341,425,000.00	4.0000%	4.0000%		2030	2033	**
Total Revenue Bonds (Self-Supporting)	4,933,875,000.00						
Total Governmental Activities	$ 17,900,210,000.00						

** 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, 2021

Business-Type Activities

	Bonds Issued to Date	Range of Interest Rates		Terms of Variable Interest Rates *	Scheduled Maturities First Year	Scheduled Maturities Last Year	First Call Date
Revenue Bonds:							
Central Texas Turnpike System (Self-Supporting)							
First Tier Revenue Bonds Series 2002-A							
Non-Callable Capital Appreciation Bonds***	$ 737,267,374.26	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 ***	123,067,013.33	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 Put Bonds Taxable Series 2020-B	225,000,000.00	1.9800%	1.9800%		2041	2042	8/15/2022
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)	3,810,283,864.24						
Blended Component Unit-Grand Parkway Transportation Corporation**							
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***	435,360,244.82	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	5,404,565,244.82						
State Highway 249 System							
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***	104,132,362.31	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	261,012,362.31						
Total Business-Type Activities	$ 9,475,861,471.37						

* These bonds are not outstanding as of 08/31/2021
** Bonds are subject to redemption prior to their respective maturities at the option of the Corporation.
***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, 2021

Governmental Activities

Description of Issue	Bonds Outstanding 9/1/2020	Bonds Issued	Bonds Matured or Retired	Bonds Refunded or Extinguished	Bonds Outstanding 8/31/2021
General Obligation Bonds:					
Texas Mobility Fund					
Series 2006-B	$ 150,000,000.00	$	$	$	$ 150,000,000.00
Series 2009-A	1,208,075,000.00		730,000.00		1,207,345,000.00
Series 2014	474,265,000.00		40,950,000.00		433,315,000.00
Series 2014-A	798,605,000.00		42,205,000.00		756,400,000.00
Series 2014-B	250,000,000.00				250,000,000.00
Series 2015-A	873,035,000.00		21,845,000.00		851,190,000.00
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				1,270,690,000.00
Texas Highway Improvement					
Series 2010-A	759,400,000.00		28,920,000.00		730,480,000.00
Series 2012-A	41,965,000.00		20,470,000.00		21,495,000.00
Series 2014	252,000,000.00		42,000,000.00		210,000,000.00
Series 2016	533,000,000.00		20,500,000.00		512,500,000.00
Series 2016-A	527,840,000.00		20,305,000.00		507,535,000.00
Series 2019	705,550,000.00		3,240,000.00		702,310,000.00
Series 2020	794,235,000.00				794,235,000.00
Total General Obligation Bonds	9,662,920,000.00	0.00	241,165,000.00	0.00	9,421,755,000.00
Revenue Bonds:					
State Highway Fund					
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	464,905,000.00		94,230,000.00		370,675,000.00
Series 2014-B1	150,000,000.00				150,000,000.00
Series 2014-B2	150,000,000.00				150,000,000.00
Series 2015	573,225,000.00		78,870,000.00		494,355,000.00
Series 2016-A	395,745,000.00		75,515,000.00		320,230,000.00
Series 2016-B	89,370,000.00				89,370,000.00
Series 2020	341,425,000.00				341,425,000.00
Total Revenue Bonds	3,723,025,000.00	0.00	248,615,000.00	0.00	3,474,410,000.00
Total Governmental Activities	$ 13,385,945,000.00	$ 0.00	$ 489,780,000.00	$ 0.00	$ 12,896,165,000.00

TEXAS DEPARTMENT OF TRANSPORTATION
SCHEDULE 2B - CHANGES IN BONDED INDEBTEDNESS (Continued)
For the Fiscal Year Ended August 31, 2021

Governmental Activities

Description of Issue	Unamortized Premium	Unamortized Discount	Adjustments	Net Bonds Outstanding 8/31/2021	Amounts Due Within One Year
General Obligation Bonds:					
Texas Mobility Fund					
Series 2006-B	$	$	$	$ 150,000,000.00	$
Series 2009-A				1,207,345,000.00	2,095,000.00
Series 2014	37,764,025.83			471,079,025.83	50,734,170.61
Series 2014-A	84,601,161.67			841,001,161.67	58,626,754.72
Series 2014-B				250,000,000.00	
Series 2015-A	81,048,396.15			932,238,396.15	31,982,184.76
Series 2015-B	28,836,100.04			282,941,100.04	1,985,728.36
Series 2017-A	39,798,719.50			335,818,719.50	3,153,629.03
Series 2017-B	63,742,995.80			537,877,995.80	4,894,120.60
Series 2020				1,270,690,000.00	22,830,000.00
Texas Highway Improvement					
Series 2010-A				730,480,000.00	29,580,000.00
Series 2012-A	230,190.27			21,725,190.27	21,725,190.27
Series 2014	13,066,496.00			223,066,496.00	46,355,498.67
Series 2016	87,167,304.54			599,667,304.54	27,205,177.27
Series 2016-A	77,726,542.47			585,261,542.47	26,284,250.27
Series 2019	4,264,022.66			706,574,022.66	3,654,948.45
Series 2020	108,172,415.83			902,407,415.83	9,616,865.16
Total General Obligation Bonds	626,418,370.76	0.00	0.00	10,048,173,370.76	340,723,518.17
Revenue Bonds:					
State Highway Fund					
Series 2008	1,643,739.68			59,998,739.68	322,167.13
Series 2010				1,500,000,000.00	
Series 2014-A	27,702,185.82			398,377,185.82	110,750,716.76
Series 2014-B1				150,000,000.00	150,000,000.00 ***
Series 2014-B2				150,000,000.00	
Series 2015	33,216,801.89			527,571,801.89	92,689,841.70
Series 2016-A	37,302,150.62			357,532,150.62	86,502,942.52
Series 2016-B	5,386,419.95			94,756,419.95	1,129,082.57
Series 2020	70,213,521.50			411,638,521.50	5,657,977.25
Total Revenue Bonds	175,464,819.46	0.00	0.00	3,649,874,819.46	447,052,727.93
Total Governmental Activities	$ 801,883,190.22	$ 0.00	$ 0.00	$ 13,698,048,190.22	$ 787,776,246.10

***The outstanding principal balance for the Series 2014-B1 is classified as a current liability as the agreement in place is set to expire in the next fiscal year.

TEXAS DEPARTMENT OF TRANSPORTATION
SCHEDULE 2B - CHANGES IN BONDED INDEBTEDNESS (Continued)
For the Fiscal Year Ended August 31, 2021

Business-Type Activities

Description of Issue	Bonds Outstanding 9/1/2020	Bonds Issued	Bonds Matured or Retired	Bonds Refunded or Extinguished	Bonds Outstanding 8/31/2021
Revenue Bonds:					
Central Texas Turnpike System					
First Tier Bonds Series 2002-A, Non-Callable CAB's	$ 491,595,784.03	$ 28,287,987.68 **	$ 36,480,000.00	$	$ 483,403,771.71
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	117,860,880.00	5,206,133.33 **			123,067,013.33
Second Tier Bonds Series 2015-C	1,157,320,000.00				1,157,320,000.00
First Tier Revenue Refunding Bonds Series 2020-A	179,475,000.00				179,475,000.00
First Tier Revenue Refunding Put 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
Blended Component Unit-Grand Parkway Transportation Corp.*:					
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	411,673,052.50	23,687,192.32 **			435,360,244.82
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	1,293,260,000.00		14,435,000.00		1,278,825,000.00
First Tier Refunding Bonds Series 2020-C	793,385,000.00				793,385,000.00
State Highway 249 System					
First Tier Toll Revenue Bonds Series 2019-A:					
Current Interest Bonds	144,085,000.00				144,085,000.00
Capital Appreciation Bonds	99,285,546.30	4,846,816.01 **			104,132,362.31
First Tier Toll Revenue Bond Taxable Series 2019-B:	12,795,000.00				12,795,000.00
Total Business-Type Activities	$ 7,118,655,262.83	$ 62,028,129.34	$ 50,915,000.00	$ 0.00	$ 7,129,768,392.17

*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, 2021

Business-Type Activities

Description of Issue	Unamortized Premium	Unamortized Discount	Adjustments	Net Bonds Outstanding 8/31/2021	Amounts Due Within One Year
Revenue Bonds:					
Central Texas Turnpike System					
First Tier Bonds Series 2002-A, Non-Callable CAB's	$	$	$	$ 483,403,771.71	$ 43,150,000.00
First Tier Bonds Series 2012-A	7,213,483.86			130,448,483.86	424,322.58
First Tier Bonds Series 2015-B:					
Current Interest Bonds	19,881,977.73			217,906,977.73	1,465,537.11
Capital Appreciation Bonds				123,067,013.33	
Second Tier Bonds Series 2015-C	98,219,523.64			1,255,539,523.64	9,689,215.68
First Tier Revenue Refunding Bonds Series 2020-A	37,337,388.96			216,812,388.96	2,042,684.27
First Tier Revenue Refunding Put Bonds Series 2020-B				225,000,000.00	
First Tier Revenue Refunding Bonds Taxable Series 2020-C				279,305,000.00	
Blended Component Unit-Grand Parkway Transportation Corp.*:					
First Tier Toll Revenue Bonds, Series 2013-A		(542,726.02)		47,187,273.98	(27,923.61)
Subordinate Tier Toll Revenue Bonds, Series 2013-B:					
Callable CAB				435,360,244.82	
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	82,279,398.62			794,379,398.62	3,956,112.92
Subordinate Tier Toll Revenue Put Bonds, Series 2018-B	18,193,857.95			184,718,857.95	596,741.70
First Tier Refunding Bonds Taxable Series 2020-A				220,415,000.00	
Subordinate Tier Refunding Bonds Taxable Series 2020-B				1,278,825,000.00	18,485,000.00
First Tier Refunding Bonds Series 2020-C	101,799,735.11			895,184,735.11	3,883,635.87
First Tier Toll Revenue Bonds Series 2019-A:					
Current Interest Bonds	10,762,634.30			154,847,634.30	315,237.60
Capital Appreciation Bonds				104,132,362.31	
First Tier Toll Revenue Bond Taxable Series 2019-B:				12,795,000.00	
Total Business-Type Activities	$ 375,688,000.17	$ (542,726.02)	$ 0.00	$ 7,504,913,666.32	$ 83,980,564.12

*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, 2021

Governmental Activities

Description of Issue	Year	Principal	Interest
TMF General Obligation Bonds			
Series 2006-B	2022	$	$ 30,000.02
	2023		30,000.02
	2024		30,027.39
	2025		29,972.62
	2026		30,000.02
	2027-2031		150,000.07
	2032-2036	150,000,000.00	133,500.26
		150,000,000.00	433,500.40
Series 2009-A	2022	2,095,000.00	66,520,948.66
	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
	2027-2031	68,150,000.00	319,875,940.84
	2032-2036	129,830,000.00	294,805,308.62
	2037-2041	985,280,000.00	133,548,088.06
		1,207,345,000.00	1,079,004,738.86
Series 2014	2022	44,240,000.00	19,492,550.00
	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
	2027-2031	68,385,000.00	26,472,875.00
	2032-2036	106,720,000.00	4,311,600.00
		$ 433,315,000.00	$ 103,404,975.00

TEXAS DEPARTMENT OF TRANSPORTATION
SCHEDULE 2C - DEBT SERVICE REQUIREMENTS (Continued)
For the Fiscal Year Ended August 31, 2021

Description of Issue	Year	Principal	Interest
TMF General Obligation Bonds (continued)			
Series 2014-A	2022	$ 48,770,000.00	$ 34,146,800.00
	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
	2027-2031	193,185,000.00	62,799,375.00
	2032-2036	145,395,000.00	31,922,500.00
	2037-2041		20,000,000.00
	2042-2046	100,000,000.00	10,040,000.00
		756,400,000.00	265,671,375.00
Series 2014-B	2022		800,000.01
	2023		800,000.01
	2024		800,730.58
	2025		799,269.41
	2026		800,000.01
	2027-2031		4,000,000.02
	2032-2036		4,000,730.59
	2037-2041	141,575,000.00	3,583,777.59
	2042-2046	108,425,000.00	28,517.26
		250,000,000.00	15,613,025.48
Series 2015-A	2022	23,775,000.00	39,717,225.00
	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
	2027-2031	324,085,000.00	126,292,375.00
	2032-2036	238,270,000.00	62,211,075.00
	2037-2041	146,505,000.00	3,408,000.00
		$ 851,190,000.00	$ 376,884,200.00

TEXAS DEPARTMENT OF TRANSPORTATION
SCHEDULE 2C - DEBT SERVICE REQUIREMENTS (Continued)
For the Fiscal Year Ended August 31, 2021

Description of Issue	Year	Principal	Interest
TMF General Obligation Bonds (continued)			
Series 2015-B	2022	$	$ 12,705,250.00
	2023		12,705,250.00
	2024		12,705,250.00
	2025		12,705,250.00
	2026		12,705,250.00
	2027-2031		63,526,250.00
	2032-2036	144,120,000.00	48,346,750.00
	2037-2041	109,985,000.00	2,749,625.00
		254,105,000.00	178,148,875.00
Series 2017-A	2022		14,801,000.00
	2023		14,801,000.00
	2024		14,801,000.00
	2025		14,801,000.00
	2026		14,801,000.00
	2027-2031	29,585,000.00	73,265,375.00
	2032-2036	266,435,000.00	32,117,375.00
		296,020,000.00	179,387,750.00
Series 2017-B	2022		23,706,750.00
	2023		23,706,750.00
	2024		23,706,750.00
	2025		23,706,750.00
	2026		23,706,750.00
	2027-2031	85,290,000.00	114,626,250.00
	2032-2036	293,320,000.00	61,364,750.00
	2037-2041	95,525,000.00	2,388,125.00
		$ 474,135,000.00	$ 296,912,875.00

TEXAS DEPARTMENT OF TRANSPORTATION
SCHEDULE 2C - DEBT SERVICE REQUIREMENTS (Continued)
For the Fiscal Year Ended August 31, 2021

Description of Issue	Year	Principal	Interest
TMF General Obligation Bonds (concluded)			
Series 2020	2022	$ 22,830,000.00	$ 24,065,123.93
	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
	2027-2031	387,905,000.00	110,156,893.78
	2032-2036	185,015,000.00	82,006,969.84
	2037-2041	166,180,000.00	64,746,688.09
	2042-2046	416,515,000.00	23,855,850.60
		1,270,690,000.00	400,171,986.61
Texas Highway Improvement General Obligation Bonds			
Series 2010-A	2022	29,580,000.00	32,976,060.30
	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
	2027-2031	178,455,000.00	117,903,692.32
	2032-2036	207,070,000.00	73,950,936.36
	2037-2041	189,505,000.00	22,509,524.72
		730,480,000.00	367,645,193.46
Series 2012-A	2022	21,495,000.00	1,074,750.00
		21,495,000.00	1,074,750.00
Series 2014	2022	42,000,000.00	10,500,000.00
	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
		$ 210,000,000.00	$ 31,500,000.00

TEXAS DEPARTMENT OF TRANSPORTATION
SCHEDULE 2C - DEBT SERVICE REQUIREMENTS (Continued)
For the Fiscal Year Ended August 31, 2021

Description of Issue	Year	Principal	Interest
Texas Highway Improvement General Obligation Bonds (continued)			
Series 2016	2022	$ 20,500,000.00	$ 25,625,000.00
	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
	2027-2031	102,500,000.00	92,250,000.00
	2032-2036	102,500,000.00	66,625,000.00
	2037-2041	102,500,000.00	41,000,000.00
	2042-2046	102,500,000.00	15,375,000.00
		512,500,000.00	333,125,000.00
Series 2016-A	2022	20,305,000.00	24,970,750.00
	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
	2027-2031	101,510,000.00	89,320,750.00
	2032-2036	101,500,000.00	63,945,000.00
	2037-2041	101,500,000.00	38,570,000.00
	2042-2046	101,500,000.00	13,398,000.00
		507,535,000.00	319,935,000.00
Series 2019	2022	3,370,000.00	21,819,150.50
	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
	2027-2031	142,315,000.00	98,854,069.30
	2032-2036	195,900,000.00	74,073,085.14
	2037-2041	228,680,000.00	41,301,969.30
	2042-2046	117,155,000.00	6,968,833.36
		$ 702,310,000.00	$ 328,890,509.60

TEXAS DEPARTMENT OF TRANSPORTATION
SCHEDULE 2C - DEBT SERVICE REQUIREMENTS (Continued)
For the Fiscal Year Ended August 31, 2021

Description of Issue	Year	Principal	Interest
Texas Highway Improvement General Obligation Bonds (concluded)			
Series 2020	2022	$ 505,000.00	$ 31,769,843.10
	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
	2027-2031	238,530,000.00	107,436,215.50
	2032-2036	217,475,000.00	53,630,011.90
	2037-2041	201,185,000.00	19,929,285.60
	2042-2046	36,975,000.00	947,299.50
		794,235,000.00	333,526,778.00
Total General Obligation Bonds		9,421,755,000.00	4,611,330,532.41
SHF Revenue Bonds			
Series 2008	2022		3,063,637.50
	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
	2027-2031	25,145,000.00	1,997,100.00
		58,355,000.00	15,631,087.50
Series 2010	2022		77,226,067.50
	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
	2027-2031	1,204,045,000.00	167,788,947.60
		1,500,000,000.00	532,175,196.30
Series 2014-A	2022	98,935,000.00	18,533,750.00
	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
		$ 370,675,000.00	$ 43,452,750.00

TEXAS DEPARTMENT OF TRANSPORTATION
SCHEDULE 2C - DEBT SERVICE REQUIREMENTS (Continued)
For the Fiscal Year Ended August 31, 2021

Description of Issue	Year	Principal	Interest
SHF Revenue Bonds (continued)			
Series 2014-B1	2022	$	$ 45,000.00
	2023		45,000.00
	2024		45,041.10
	2025		44,958.90
	2026		45,000.00
	2027-2031	68,710,000.00	216,359.48
	2032-2036	81,290,000.00	14,214.71
		150,000,000.00	455,574.19
Series 2014-B2	2022		1,140,625.00
	2023		1,140,625.00
	2024		1,143,750.00
	2025		1,140,625.00
	2026		1,140,625.00
	2027-2031	68,705,000.00	5,706,250.00
	2032-2036	81,295,000.00	619,874.37
		150,000,000.00	12,032,374.37
Series 2015	2022	82,910,000.00	22,645,000.00
	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
	2027-2031	58,050,000.00	1,451,250.00
		494,355,000.00	71,593,875.00
Series 2016-A	2022	78,635,000.00	13,759,275.00
	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
	2027-2031	118,940,000.00	12,902,250.00
		$ 320,230,000.00	$ 67,618,900.00

TEXAS DEPARTMENT OF TRANSPORTATION
SCHEDULE 2C - DEBT SERVICE REQUIREMENTS (Continued)
For the Fiscal Year Ended August 31, 2021

Description of Issue	Year	Principal	Interest
SHF Revenue Bonds (concluded)			
Series 2016-B	2022	$	$ 4,021,650.00
	2023		4,468,500.00
	2024		4,468,500.00
	2025	20,500,000.00	4,468,500.00
	2026	68,870,000.00	3,443,500.00
		89,370,000.00	20,870,650.00
Series 2020	2022		13,657,000.00
	2023		13,657,000.00
	2024		13,657,000.00
	2025		13,657,000.00
	2026		13,657,000.00
	2027-2031	13,650,000.00	68,012,000.00
	2032-2036	327,775,000.00	26,353,100.00
		341,425,000.00	162,650,100.00
TOTAL Revenue Bonds		3,474,410,000.00	926,480,507.36
TOTAL GOVERNMENTAL ACTIVITIES		$ 12,896,165,000.00	$ 5,537,811,039.77

TEXAS DEPARTMENT OF TRANSPORTATION
SCHEDULE 2C - DEBT SERVICE REQUIREMENTS (Continued)
For the Fiscal Year Ended August 31, 2021

BUSINESS-TYPE ACTIVITIES

Description of Issue	Year	Principal	Interest
CTTS Revenue Bonds			
Series 2002-A	2022	$ 43,150,000.00	$
	2023	48,940,000.00	
	2024	54,725,000.00	
	2025	60,410,000.00	
	2026	77,205,000.00	
	2027-2031	375,250,000.00	
		659,680,000.00	-
Series 2012-A	2022		4,929,400.00
	2023		4,929,400.00
	2024		4,929,400.00
	2025		4,929,400.00
	2026		4,929,400.00
	2027-2031		24,647,000.00
	2032-2036		24,647,000.00
	2037-2041	123,235,000.00	9,858,800.00
		123,235,000.00	83,799,800.00
Series 2015-B	2022		9,901,250.00
	2023		9,901,250.00
	2024		9,901,250.00
	2025		9,901,250.00
	2026		9,901,250.00
	2027-2031		49,506,250.00
	2032-2036	298,025,000.00	35,830,250.00
	2037-2041	140,000,000.00	1,000,000.00
		$ 438,025,000.00	$ 135,842,750.00

TEXAS DEPARTMENT OF TRANSPORTATION
SCHEDULE 2C - DEBT SERVICE REQUIREMENTS (Continued)
For the Fiscal Year Ended August 31, 2021

Description of Issue	Year	Principal	Interest
CTTS Revenue Bonds (continued)			
Series 2015-C	2022	$ 2,200,000.00	$ 57,866,000.00
	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
	2027-2031	183,570,000.00	272,659,250.00
	2032-2036	515,775,000.00	173,348,250.00
	2037-2041	348,500,000.00	69,021,750.00
	2042-2046	71,175,000.00	3,558,750.00
		1,157,320,000.00	805,194,000.00
Series 2020-A	2022		7,973,750.00
	2023		7,973,750.00
	2024		7,973,750.00
	2025		7,973,750.00
	2026		7,973,750.00
	2027-2031		39,868,750.00
	2032-2036		39,868,750.00
	2037-2041	179,475,000.00	25,421,250.00
		179,475,000.00	145,027,500.00
Series 2020-B	2022		4,455,000.00
	2023		9,000,000.00
	2024		9,000,000.00
	2025		9,000,000.00
	2026		9,000,000.00
	2027-2031		45,000,000.00
	2032-2036		45,000,000.00
	2037-2041	40,460,000.00	45,000,000.00
	2042-2046	184,540,000.00	7,381,600.00
		$ 225,000,000.00	$ 182,836,600.00

TEXAS DEPARTMENT OF TRANSPORTATION
SCHEDULE 2C - DEBT SERVICE REQUIREMENTS (Continued)
For the Fiscal Year Ended August 31, 2021

Description of Issue	Year	Principal	Interest
CTTS Revenue Bonds (concluded)			
Series 2020-C	2022	$	$ 8,460,148.50
	2023		8,460,148.50
	2024		8,460,148.50
	2025		8,460,148.50
	2026		8,460,148.50
	2027-2031	95,000.00	42,300,742.50
	2032-2036	510,000.00	42,256,519.00
	2037-2041	278,700,000.00	36,822,947.26
		279,305,000.00	163,680,951.26
Grand Parkway Transportation Corp.*			
Series 2013-A	2022		2,446,162.50
	2023		2,446,162.50
	2024		2,446,162.50
	2025		2,446,162.50
	2026		2,446,162.50
	2027-2031		12,230,812.50
	2032-2036	6,085,000.00	11,687,434.38
	2037-2041	20,200,000.00	8,430,368.76
	2042-2046	21,445,000.00	1,741,346.89
		47,730,000.00	46,320,775.03
Series 2013-B	2022		
	2023		
	2024		13,878,776.25
	2025		27,757,552.50
	2026		27,757,552.50
	2027-2031	9,165,000.00	138,453,936.25
	2032-2036	119,950,000.00	123,776,191.25
	2037-2041	29,050,000.00	96,856,462.50
	2042-2046	151,900,000.00	87,316,372.50
	2047-2051	179,095,000.00	12,959,436.25
		$ 489,160,000.00	$ 528,756,280.00

TEXAS DEPARTMENT OF TRANSPORTATION
SCHEDULE 2C - DEBT SERVICE REQUIREMENTS (Continued)
For the Fiscal Year Ended August 31, 2021

Description of Issue	Year	Principal	Interest
Grand Parkway Transportation Corp.* (continued)			
Series 2013-E	2022	$	$ 18,756,230.40
	2023		18,756,230.40
	2024		18,756,230.40
	2025		18,756,230.40
	2026		18,756,230.40
	2027-2031		93,781,152.00
	2032-2036		93,781,152.00
	2037-2041	251,370,000.00	67,100,659.20
	2042-2046	110,440,000.00	4,957,200.00
		361,810,000.00	353,401,315.20
Series 2016	2022		1,843,050.00
	2023		1,843,050.00
	2024	83,775,000.00	926,645.00
		83,775,000.00	4,612,745.00
Series 2018-A	2022		35,605,000.00
	2023		35,605,000.00
	2024		35,605,000.00
	2025		35,605,000.00
	2026		35,605,000.00
	2027-2031	8,725,000.00	177,806,875.00
	2032-2036	108,930,000.00	164,886,500.00
	2037-2041	205,495,000.00	123,903,875.00
	2042-2046	242,330,000.00	66,917,500.00
	2047-2051	146,620,000.00	11,172,000.00
		$ 712,100,000.00	$ 722,711,750.00

TEXAS DEPARTMENT OF TRANSPORTATION
SCHEDULE 2C - DEBT SERVICE REQUIREMENTS (Continued)
For the Fiscal Year Ended August 31, 2021

Description of Issue	Year	Principal	Interest
Grand Parkway Transportation Corp. (continued) *			
Series 2018-B	2022	$	$ 8,326,250.00
	2023		8,326,250.00
	2024		8,326,250.00
	2025		8,326,250.00
	2026		8,326,250.00
	2027-2031		41,631,250.00
	2032-2036		41,631,250.00
	2037-2041		41,631,250.00
	2042-2046		41,631,250.00
	2047-2051	83,555,000.00	37,219,375.00
	2052-2056	82,970,000.00	4,317,500.00
		166,525,000.00	249,693,125.00
Series 2020-A	2022		7,223,846.78
	2023		7,223,846.78
	2024		7,223,846.78
	2025		7,223,846.78
	2026		7,223,846.78
	2027-2031	5,140,000.00	35,844,024.53
	2032-2036	6,435,000.00	35,112,869.68
	2037-2041	9,450,000.00	33,984,028.95
	2042-2046	38,620,000.00	31,118,178.20
	2047-2051	99,870,000.00	18,910,728.75
	2052-2056	60,900,000.00	2,461,290.40
		$ 220,415,000.00	$ 193,550,354.41

TEXAS DEPARTMENT OF TRANSPORTATION
SCHEDULE 2C - DEBT SERVICE REQUIREMENTS (Continued)
For the Fiscal Year Ended August 31, 2021

Description of Issue	Year	Principal	Interest
Grand Parkway Transportation Corp. (concluded) *			
Series 2020-B	2022	$ 18,485,000.00	$ 39,845,410.65
	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
	2027-2031	14,995,000.00	194,266,162.41
	2032-2036	16,790,000.00	192,472,366.62
	2037-2041	19,260,000.00	189,998,194.10
	2042-2046	22,545,000.00	186,711,299.00
	2047-2051	395,170,000.00	171,915,930.30
	2052-2056	748,110,000.00	24,198,322.60
		1,278,825,000.00	1,156,306,338.96
Series 2020-C	2022		31,025,400.00
	2023		31,025,400.00
	2024		31,025,400.00
	2025		31,025,400.00
	2026		31,025,400.00
	2027-2031		155,127,000.00
	2032-2036	2,185,000.00	155,010,875.00
	2037-2041	41,895,000.00	151,920,650.00
	2042-2046	227,150,000.00	127,958,550.00
	2047-2051	522,155,000.00	49,566,775.00
		$ 793,385,000.00	$ 794,710,850.00

*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, 2021

Description of Issue	Year	Principal	Interest
State Highway 249 System			
Series 2019-A	2022	$	$ 7,204,250.00
	2023		7,204,250.00
	2024		7,204,250.00
	2025		7,204,250.00
	2026		7,204,250.00
	2027-2031	1,365,000.00	36,021,250.00
	2032-2036	21,185,000.00	36,021,250.00
	2037-2041	60,925,000.00	36,021,250.00
	2042-2046	90,135,000.00	36,021,250.00
	2047-2051	117,230,000.00	36,021,250.00
	2052-2056	141,845,000.00	28,217,250.00
	2057-2061	32,360,000.00	1,618,000.00
		465,045,000.00	245,962,750.00
Series 2019-B	2022		594,712.50
	2023		594,712.50
	2024		594,712.50
	2025		594,712.50
	2026		594,712.50
	2027-2031	4,105,000.00	2,907,360.00
	2032-2036	8,690,000.00	643,960.00
		12,795,000.00	6,524,882.50
TOTAL BUSINESS-TYPE ACTIVITIES		$ 7,693,605,000.00	$ 5,818,932,767.36

TEXAS DEPARTMENT OF TRANSPORTATION
SCHEDULE 2D - ANALYSIS OF FUNDS AVAILABLE FOR DEBT SERVICE
For the Fiscal Year Ended August 31, 2021

Governmental Activities

	Pledged and Other Sources and Related Expenditures for FY 2021			
	Net Available for Debt Service		Debt Service	
Description of Issue	**Total Pledged and Other Sources**	**Operating Expenses/ Expenditures and Capital Outlay**	**Principal**	**Interest**
Texas Mobility General Obligation Bonds	$ 522,948,988.39	(A)	$ 105,730,000.00	$ 233,464,263.05
State Highway Fund Revenue Bonds	9,888,208,027.92	(B)	248,615,000.00	162,788,695.63
	$ 10,411,157,016.31		$ 354,345,000.00	$ 396,252,958.68

(A) Expenses associated with pledged sources were $459,111,802.88.
(B) Expenses associated with pledged sources were $12,661,084,201.27.

Business-Type and Blended Component Unit Activities

	Pledged and Other Sources and Related Expenditures for FY 2021			
	Net Available for Debt Service		Debt Service	
Description of Issue	**Total Pledged and Other Sources**	**Operating Expenses/ Expenditures and Capital Outlay**	**Principal**	**Interest**
Central Texas Turnpike System Series 2002-A, 2012-A, 2015-A, B, C	$ 188,308,924.01	(C)	$ 36,480,000.00	$ 93,585,548.50
Grand Parkway Transportation Corporation Series 2013-A,B,E, 2016, 2018-A, B	194,879,029.01	(D)		183,002,730.63
State Highway 249 System Series 2019-A and 2019-B	5,859,563.80	(E)		7,798,962.50
	$ 389,047,516.82		$ 50,915,000.00	$ 284,387,241.63

(C) Expenses associated with pledged sources were $120,364,469.42.
(D) Expenses associated with pledged sources were $50,746,969.46.
(E) Expenses associated with pledged sources were $0.

TEXAS DEPARTMENT OF TRANSPORTATION
SCHEDULE 2E-DEFEASED BONDS OUTSTANDING

For the Fiscal Year Ended August 31, 2021

Description of Issue	Year Defeased		Par Value Outstanding
Governmental Activities			
Texas Mobility Fund General Obligation Bonds			
Series 2014 Fixed Rate Refunding Bonds	2020	$	380,815,000.00
Series 2014-A Fixed Rate Refunding Bonds	2020		690,760,000.00
Texas Highway Improvement General Obligation Bonds			
Series 2012-A Fixed Rate Bonds	2019		621,550,000.00
Series 2012-A Fixed Rate Bonds	2020		124,710,000.00
Series 2014 Fixed Rate Bonds	2019		84,000,000.00
Series 2014 Fixed Rate Bonds	2020		672,000,000.00
Total General Obligation Bonds			2,573,835,000.00
State Highway Fund Revenue Bonds			
Series 2014-A Refunding Fixed Rate Bonds	2020		358,625,000.00
Total Revenue Bonds			358,625,000.00
Total Governmental Activities			2,932,460,000.00
Business-Type Activities			
Central Texas Turnpike System Revenue Bonds			
Series 2002-A Capital Appreciation Bonds*	2015		31,957,461.95
First Tier Bonds Series 2012-A	2020		462,095,000.00
Grand Parkway Transportation Corporation Revenue Bonds			
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			1,784,257,461.95
Total		$	4,716,717,461.95

* Includes $20,867,353.05 of accreted interest.

Texas Department of Transportation
Matrix of Expenditures Reported by Function - Governmental Funds
For the Fiscal Year Ended August 31, 2021

	State Highway Fund	Texas Mobility Fund	Nonmajor Funds	Transportation Function Total
Salaries and Wages	$ 768,082,703.18	$ 0.00	$ 1,096,076.33	$ 769,178,779.51
Payroll Related Costs	351,939,127.41	0.00	323,342.25	352,262,469.66
Professional Fees and Services	945,069,991.62	0.00	754,618.00	945,824,609.62
Federal Pass-Through Expenditures	10,190,477.48	0.00	0.00	10,190,477.48
State Pass-Through Expenditures	102,471.96	0.00	0.00	102,471.96
Travel	1,186,696.11	0.00	30,463.00	1,217,159.11
Materials and Supplies	259,349,479.81	0.00	429,909.86	259,779,389.67
Communication and Utilities	55,648,672.06	0.00	30,278.75	55,678,950.81
Repairs and Maintenance	620,280,155.84	0.00	967,762.26	621,247,918.10
Rentals and Leases	42,307,127.04	0.00	0.00	42,307,127.04
Printing and Reproduction	1,982,822.89	0.00	4,541.23	1,987,364.12
Claims and Judgments	4,419,291.46	0.00	0.00	4,419,291.46
Intergovernmental Payments	167,641,371.29	3,063,647.49	65,150,245.36	235,855,264.14
Public Assistance Payments	50,514,469.09	0.00	53,850,897.85	104,365,366.94
Other Expenditures	238,430,915.60	0.00	318,680.00	238,749,595.60
Total Expenditures	$ 3,517,145,772.84	$ 3,063,647.49	$ 122,956,814.89	$ 3,643,166,235.22

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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