

# TEXAS DEPARTMENT OF TRANSPORTATION

An Agency of the State of Texas

Popular Annual Financial Report  
For the Fiscal Year Ended August 31, 2023





Connecting  
*You* with **TEXAS**

We are pleased to submit the Popular Annual Financial Report (PAFR) of the Texas Department of Transportation (TxDOT) for the fiscal year ended Aug. 31, 2023. This PAFR is a representation of the Texas Annual Comprehensive Financial Report (ACFR) for the 2023 fiscal year.

The PAFR contains information that has been carefully drafted to include the most important information in an easy-to-understand manner. The goal of the PAFR is to keep both the residents and stakeholders of the state updated on the financial activities of the department.

The financial summary analyzed in this report was taken from the audited Annual Comprehensive Financial Report of the Texas Department of Transportation. The ACFR was prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), and independently audited by Crowe LLP. This summary report, however, remains unaudited. Both documents are available on TxDOT’s webpage at <https://www.txdot.gov/about/financial-management/financial-publications.html>.



**Marc D. Williams, P.E.**  
*Executive Director*



**Stephen R. Stewart, CPA**  
*Chief Financial Officer*

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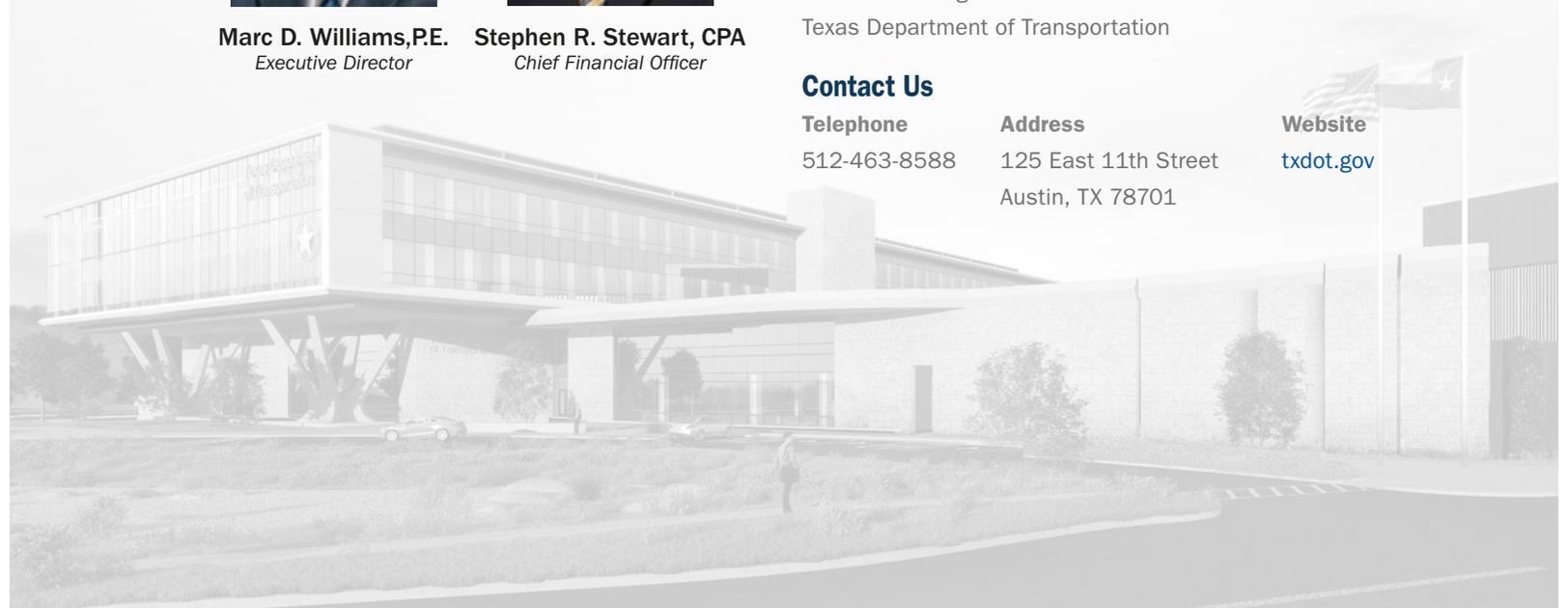
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**Prepared by**

Financial Management Division of the Texas Department of Transportation

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# TxDOT Overview

## Texas Department of Transportation

As an agency of the state of Texas, and headquartered in Austin, TxDOT operates under the direction of an executive director and is governed by the five-member Texas Transportation Commission.

TxDOT has the statutory responsibility to coordinate, plan, develop, and manage the operation of the state's highway system, as well as manage grant funding for public transit, aviation, maritime operations, traffic safety, and other services.

TxDOT's activities cover 25 districts throughout the state; Abilene, Amarillo, Atlanta, Austin, Beaumont, Brownwood, Bryan, Childress, Corpus Christi, Dallas, El Paso, Fort Worth, Houston, Laredo, Lubbock, Lufkin, Odessa, Paris, Pharr, San Angelo, San Antonio, Tyler, Waco, Wichita Falls, and Yoakum.

## VALUES

**People:** People are the Department's most important customer, asset, and resource. The well-being, safety, and quality of life for Texans and the traveling public are of the utmost concern to the Department. We focus on relationship building, customer service, and partnerships.

**Accountability:** We accept responsibility for our actions and promote open communication and transparency at all times.

**Trust:** We strive to earn and maintain confidence through reliable and ethical decision-making.

**Honesty:** We conduct ourselves with the highest degree of integrity, respect, and truthfulness.

## VISION

A forward-thinking leader delivering mobility, enabling economic opportunity, and enhancing quality of life for all Texans.

## MISSION

Connecting You With Texas.

## GOALS

**Deliver the Right Projects:** Implement effective planning and forecasting processes that deliver the right projects on-time and on-budget.

**Focus on the Customer:** People are at the center of everything we do.

**Foster Stewardship:** Ensure efficient use of state resources.

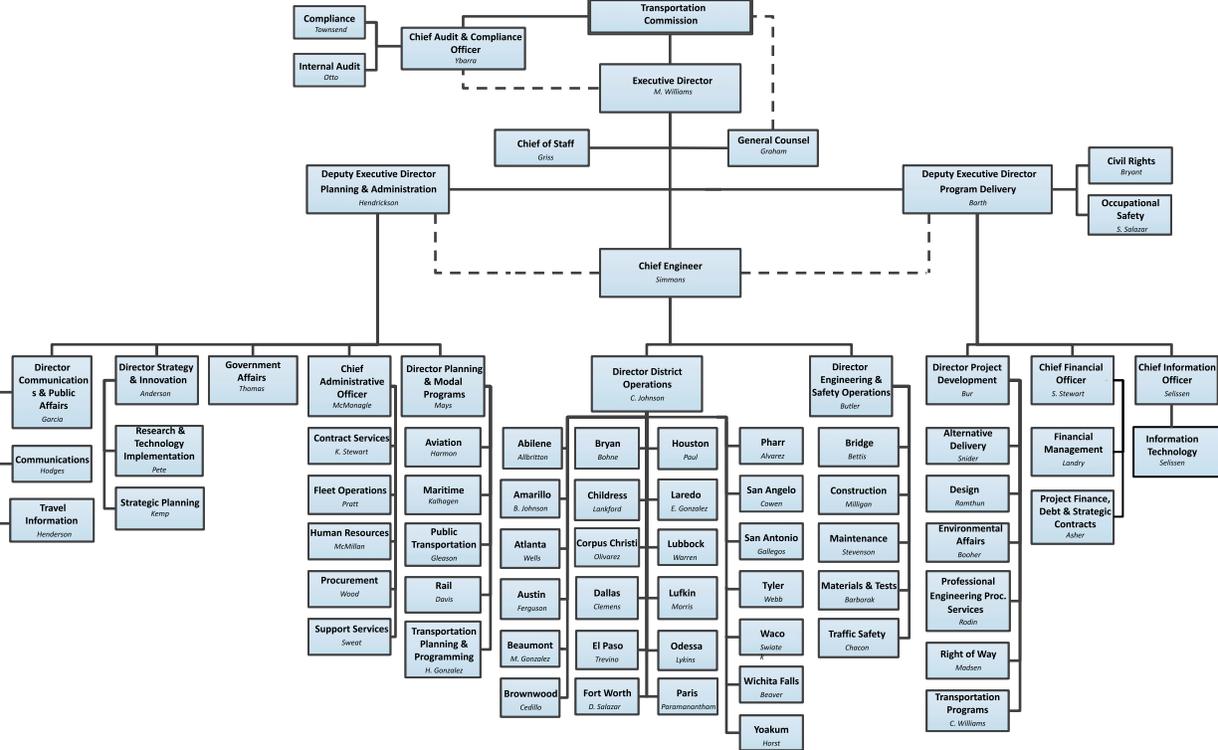
**Optimize System Performance:** Develop and operate an integrated transportation system that provides reliable and accessible mobility and enables economic growth.

**Preserve our Assets:** Deliver preventive maintenance for TxDOT's system and capital assets to protect our investments.

**Promote Safety:** Champion a culture of safety.

**Value our Employee:** Respect and care for the well-being and development of our employees.

# Organizational Structure and Management



The Texas Department of Transportation is governed by the five-member Texas Transportation Commission (TTC), and an Executive Director selected by the commission.

Commission members serve overlapping six-year terms and are appointed by the governor with the advice and consent of the Texas Senate. The commission performs six major duties which include planning and making policies, overseeing the design of highways, developing statewide transportation plans, awarding contracts, fostering the development of public transportation, and adopting rules for the operation of TxDOT.

The Commission provides statutory oversight for our agency, where the Executive Director and senior administrators oversee TxDOT’s day-to-day operations.



**J. Bruce Bugg Jr.**

Chairman



**Alvin New**

Commissioner



**Robert C. Vaughn**

Commissioner



**Alejandro "Alex" G. Meade III**

Commissioner



**Steven D. Alvis**

Commissioner



Government Finance Officers Association

Award for  
Outstanding  
Achievement in  
Popular Annual  
Financial Reporting

Presented to

**Texas Department of Transportation**

For its Annual Financial Report  
For the Fiscal Year Ended

August 31, 2022

*Christopher P. Morrill*

Executive Director/CEO

# TxDOT at a Glance

## Full Time Equivalent (FTE) Positions by Job Function as of Aug. 31, 2023\*

Job Function	FTE
Architecture	33
Civil Rights/Bus Opportunity	39
Engineering/Engr Support	4,007
Environment	167
Exec/Admin/Clerical/Legal	1,026
Finance/Accounting	293
General Servs/Contracts/Purch	595
Human Resources	149
Information Technology	209
Laboratory/Materials	184
Maint/Skilled Craft/Ferry Ops	5,070
Occupational Safety	83
Other	12
Plan/Aviation/Pub Trans/Legis/Rail	492
Right of Way	175
Communications/Travel/Public Information	217
<b>Grand Total</b>	<b>12,751</b>

## Traffic and Toll Revenue - Toll Roads (Last Two Fiscal Years)

	2022	2023
Annual Vehicle Transactions	404,370,703	470,099,469
Annual Toll Revenue, Net	\$464,274,592	\$606,011,778
Increase/ Decrease	\$111,292,426	\$141,737,186
Toll Revenue Percentage Change	31.5%	30.5%
Toll Rate per Transaction	1.15	1.29

## Schedule of State-Owned Centerline Miles (Last Two Calendar Years)

	2022	2023
Interstate highways	3,466	3,476
U.S.highways	11,852	11,842
State highways	16,443	16,491
Farm or Ranch to Market roads	40,865	40,870
Frontage roads	7,927	7,968
Park roads	352	350
<b>Total Miles</b>	<b>80,905</b>	<b>80,997</b>

## Schedule of Rated Lane Miles Conditions (Last Two Fiscal Years)

	2022	2023
Total Lane Miles	201,928	201,793
Rated Lane Miles	200,763	200,583
Good or Better Lane Miles	179,670	179,903
% Good or Better Lane Miles	89.5%	89.7%
% Change from Prior Year	0.6%	0.1%

## TxDOT Construction Projects in Progress (and/or Starting Soon)

District	Projects	Estimated Cost
Abilene	414	\$730,672,249
Amarillo	302	\$802,250,930
Atlanta	562	\$592,021,752
Austin	375	\$1,919,803,917
Beaumont	391	\$1,082,656,888
Brownwood	179	\$318,016,257
Bryan	552	\$666,346,907
Childress	127	\$229,492,910
Corpus Christi	350	\$1,042,515,898
Dallas	681	\$3,618,191,308
El Paso	278	\$896,550,803
Fort Worth	395	\$1,060,302,367
Houston	442	\$3,467,650,921
Laredo	242	\$892,717,737
Lubbock	335	\$655,767,538
Lufkin	331	\$794,861,548
Odessa	308	\$1,983,696,840
Paris	535	\$1,138,490,554
Pharr	385	\$823,141,953
San Angelo	262	\$581,419,361
San Antonio	508	\$2,887,684,513
Tyler	363	\$974,706,962
Waco	347	\$658,022,910
Wichita Falls	356	\$622,896,511
Yoakum	372	\$1,996,696,355
<b>Totals</b>	<b>9,392</b>	<b>\$30,436,575,889</b>

\* The FTE count by function was based on a query of TxDOT's PeopleSoft system as of Aug. 31, 2023 using each full-time and part-time employee's scheduled work hours, instead of actual hours. Summer hire FTEs are not included.

# 2023 Major Initiatives: Texas Clear Lanes

Texas Clear Lanes is a statewide strategic plan to provide congestion relief through non-tolled roads and is focused on five major metropolitan areas: Austin, Dallas, Fort Worth, Houston, and San Antonio. Representing well over half of the state’s population, these areas are also home to 94 of the “Top 100” most congested roadway segments in the state.

Here are a couple of major fiscal 2023 Texas Clear Lane Program successes:



## Gulf Freeway Project

TxDOT celebrated the completion of the Houston District’s first Texas Clear Lanes project at Interstate 45 (I-45) from the NASA 1 Bypass to Farm-to-Market (FM) Road 518. Improvements included widening I-45 to 10 main lanes, adding two 3-lane frontage roads and access into two HOV diamond lanes, improving traffic signals on FM 518 at the Hobbs Road/Lafayette Lane intersection, and restriping and signing. “This is a major milestone for the Houston District, and we are thrilled to deliver our first Texas Clear Lanes project,” said District Engineer Eliza Paul. “With the population boom in this area and I-45 being both a critical evacuation corridor as well as part of the state’s primary freight network, this project positively impacts quality of life and industry.”

## US 281 North Expansion Project

The completion of Phase II of the US 281 North Expansion Project, which spans four miles along the corridor from Stone Oak Parkway to Borgfeld Road in north Bexar County, marks a significant achievement for TxDOT’s Clear Lanes Project. Phase II of the project included \$304 million of transportation improvements, including the construction of new non-tolled lanes, HOV/Transit lanes, and frontage roads. Additionally, the larger project includes dedicated bicycle and pedestrian facilities. The improved US 281 connects to VIA Metropolitan Transit’s new Park & Ride at Stone Oak Parkway, enhancing overall transportation efficiency. With two general-purpose lanes and one HOV lane in each direction, this project contributes to reduced congestion and improved connectivity.

## I-35 at US 79 (Southbound) Project

TxDOT finished the I-35 at US 79 (Southbound) project in August 2023. Prompted by increased population growth in Williamson County, the project addresses congestion along the vital I-35 corridor - a key link in the local, state, and national transportation network - with a daily traffic volume exceeding 180,000 vehicles. Key improvements include an extended entrance and exit lane, eliminating merging conflicts between the US 79 entrance ramp and Exit 250 at SH 45 North. The project also involves shifting the median barrier, restriping southbound I-35 mainlines for the new lane, and installing high-mast lighting.



# 2023 Major Initiatives: Operational Highlights

## Road to Zero

The Texas Transportation Commission has set a goal of zero crash fatalities by 2050, with a starting goal of cutting fatalities in half by 2035. TxDOT has committed to enhancing safety on Texas roads, investing \$17 billion in safety improvements through the state’s 10-year plan. TxDOT will continue to make roads safer, improve safety education, and assist in enforcement and safety awareness programs.

## Facilities Master Plan

FY 2023 began year six of TxDOT’s 10-year Facilities Master Plan with a long list of statewide accomplishments. In 2023, TxDOT had 139 capital projects (\$338.6 million) in construction. In the upcoming year, TxDOT expects the completion of 85 projects (\$176.8 million) that were approved during the 86th and 87th legislative sessions as well as the preliminary planning for capital projects approved during the 88th legislative session. TxDOT will continue to realign its district locations through the acquisition of strategic operational sites.

## Security Upgrades

TxDOT completed 13 statewide security upgrades, designed 4 security projects, and contracted 51 additional security projects at its buildings around the state. Some of these security projects even include a limited-access security virtual local area network (VLAN) to reduce both internal and external security threats.

## Accessibility

TxDOT has been making progress in implementing the Federal Highway Administration (FHWA) Americans with

Disabilities Act Transition Plan with regard to TxDOT facilities. It has successfully trained for and provided input on the new TxDOT Comprehensive Accessibility Program (TCAP) Website Application that will be active in 2024. This application will allow TxDOT to track progress on the Transition Plan to remediate and remove barriers that people with disabilities may encounter in these facilities.

## Public-Private and Public Partnerships (PPP)

As of Aug. 31, 2023, TxDOT has entered into 8 agreements that are classified as PPP’s under the definition established by the GASB Statement 94. A PPP arrangement is an arrangement between the transferor (TxDOT) and an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset, for a period of time in an exchange or exchange-like transaction. TxDOT enters PPP Projects in order 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 PPPs with both public and private operators. At the end of these arrangements, operations and maintenance of the projects will transfer to TxDOT. The following table summarizes the status, term and duration of each currently active PPP as of Aug. 31, 2023.

**Public-Private and Public-Private Partnerships as of August 31, 2023**

Arrangement Name	Construction Status	Term of PPP	FY PPP Begin	FY PPP End
IH 10 “Katy Managed Lanes”*	Complete	42 years	2009	2050*
SH 121 “Sam Rayburn Tollway”	Complete	45 years	2012	2056
SH 288 - Brazoria County*	Complete	29 years	2021	2049*
SH 130 Segments 5 and 6	Complete	51 years	2013	2063
North Tarrant Exp Seg 1 and 2-West	Complete	47 years	2015	2061
North Tarrant Exp Seg 3A, 3B and 3C	Complete	44 years	2018	2061
LBJ/IH-635 Managed Lanes	Complete	47 years	2016	2062
SH 288 - Harris County	Complete	48 years	2021	2068

\* Estimated. PPP period extends until Harris County/Brazoria County fully reimbursed for costs of construction and debt service.

# 2023 Major Initiatives: Finance and Technology

## ITD Initiatives

TxDOT's Information Technology Division has been working to upgrade its legacy systems and to coordinate the delivery of IT services and products while ensuring the appropriate infrastructure and application support is available to TxDOT employees and customers. Below are just a handful of accomplishments that TxDOT has realized in FY 2023.

### Data Management

In 2023, TxDOT continued to optimize and enhance the Enterprise Data Platform (EDP) with the addition of valuable data and improved accessibility. The EDP provides a scalable and secure environment for managing and analyzing large volumes of data. Key features of EDP include the seamless integration of various data sources, efficient data storage, and performance.

### Traffic Management Notifications Systems

TxDOT implemented an AI-driven platform, Rekor, in the Austin District to proactively identify crashes and other roadway incidents along major routes. Rekor processes and consolidates data from multiple sources such as speed data, Waze, and connected vehicles and notifies operators in the Traffic Management Center of incidents. Confirmed incident data seamlessly integrates with other TxDOT systems, enabling timely public alerts and dispatching of HERO truck services. Since its deployment in 2023, Austin District continues to gather data to measure the full benefits of the system, but preliminary results show improvements in both time and accuracy of incident detection.

### Broadband Program / Bandwidth Upgrades

TxDOT established a cross-functional agency Broadband Program to identify and explore opportunities to improve broadband connectivity across the state. Jointly sponsored by IT and Right of Way Divisions, the TxDOT Broadband Program aims to advance broadband infrastructure across Texas to bridge the digital divide benefitting both TxDOT and all Texans. Collaboration with the Comptroller's Broadband Development Office (BDO)

has been key for building relationships with broadband providers and other public entities.

TxDOT continued efforts to improve and increase bandwidth at statewide offices. Eighty-five percent of all TxDOT office locations have been upgraded to at least 100MB bandwidth speeds, with many offices increasing to speeds of 500MB or greater. This upgrade has improved District and Area Office connectivity by 400% and most Maintenance Office connectivity by over 5000%.

### Travel and Communication Improvements: Drive Texas

TxDOT recently completed a modernization effort of DriveTexas.org to make it mobile-friendly and help improve the accuracy of real-time information about current conditions on Texas highways. The new "Flooding Likely" map layer in DriveTexas uses data from flood sensors in streams and waterways in the Houston/Beaumont area and will soon expand to other regions. This map layer better equips travelers to be aware of their surroundings and to remember "Turn Around Don't Drown."

### Contracting Systems

TxDOT achieved significant milestones, including the successful go-live of the Support Services Division's utilization of Bonfire in the contracting process. Ongoing efforts involve the integration of additional systems with Bonfire, eliminating manual processes, and enriching data availability for reporting purposes. The integration from Bonfire to PeopleSoft is scheduled for completion in January 2024.

TxDOT completed the go-live for the Procurement Contract Management System in August of 2023 to centralize contract management life cycle processes and improve communication during the contracting process.

## Financial Management Initiatives

Below is a summary of the major technology enhancements the Financial Management Division has invested in during fiscal 2023.

### E-invoicing



During fiscal 2023, the Financial Management Division (FIN) implemented phase 2 of an e-Invoicing solution to scan and capture invoicing information into PeopleSoft using automation and minimizing manual effort. The solution streamlined the

invoice lifecycle, saving time and money, and leverages TxDOT's Enterprise Content Management (ECM) system OnBase. The e-Invoicing solution provides better visibility into account payables and AP workflow, improves processing by using automation rather than the manual steps to ingest, matches receipts, and processes invoices for payment. In addition, the solution is expected to reduce payment delays, processing time and penalty interest payments. Additional enhancements are planned for e-invoicing during fiscal 2024.

### Revenue Expenditure Project Planning System (REPPS)



The Financial Management Division implemented a more capable, modernized, cloud-based cash forecasting solution with on-going support to replace a proprietary system

of more limited functionality and at the end of its life cycle. The new OneStream system replaced a mixture of application-based and Excel-based forecasting, allows for the development of multiple scenarios, enhanced reporting capabilities, automated manual processes, integrates with data sources, eliminates the need for a legacy mainframe process, and has more scalability. Additional enhancements to the new forecasting system are planned for fiscal year 2024.

### Automated Financial Reporting Software Services



The Financial Management Division implemented a cloud-based Financial Reporting Software to automate the production of five Financial Reports on June 2, 2023: the Annual

Comprehensive Financial Report, the Popular Annual Financial Report, and three additional stand-alone audited reports. The new system replaced a manual financial close process and produced and automatically consolidated all components of the five reports including financial statements, notes, exhibits, graphs, and schedules.

### Oracle Cashiering System



The Oracle Cashiering System (OCS) was being developed to replace the department's Revenue Logging System (RLS), during fiscal 2023. After implementation, all new cash receipts are to be processed through OCS.

OCS is located as a module within PeopleSoft and will help lower the financial risks associated with an older unsupported application. The module will provide users better functionality, including a new interface to the Uniform Statewide Accounting System reducing manual entry.

# 2023 Awards

## 2023 Transportation Short Course

The 2023 Transportation Short Course was the 97th such meeting in the Texas Department of Transportation's history. Both TxDOT and the Texas A&M Transportation Institute (TTI) are proud of this long-standing record of collaboration and cooperation. Over the years, the Short Course has provided a unique opportunity to exchange important technical information that improves transportation in Texas.

## Big 5 Awards

TxDOT recognized outstanding achievements with the Big 5 Awards during the opening session of the 97th Annual Transportation Short Course.

### Raymond E. Stotzer Jr. Award

Lori Wagner, District Manager of Administration, Austin District

### Russell H. Perry Award

Phyllis Saathoff, CEO of Port Freeport

### Dewitt C. Greer Award

Zelma A. Myers, Central Design Engineer, Fort Worth District

### Gibb Gilchrist Award

Clayton P. Ripps, Director of Transportation Planning and Development, San Antonio District

### Luther DeBerry Award

Martha Arnold, Disadvantaged Business Enterprise Program Section Manager



## Extra Mile Awards

The Extra Mile Awards are presented to TxDOT workers who have helped save a life or prevented a situation from becoming life-threatening, either while performing their TxDOT duties or on their own time.

### Amarillo District

Kevin Allison, Maintenance Supervisor; Keith Varner, Assistant Maintenance Supervisor; Joe Garcia, Crew Chief; Daneil Wallace, Crew Chief; Dominique Dickinson, Transportation Tech; Jathan Nivens, Transportation Tech

### Atlanta District

Elton Bolden, Equipment Operator

### Austin District

Derwood Sitton, Construction Inspector

### Bryan District

Trent Dierking, Transport Maint Crew Chief; Martin Gessner, General Transp Tech; Nathan Gurka, General Transp Tech; Billy Jasinski, General Transp Tech; Mark Jeffrey, Maint Section Assistant; Dale Mackenroth, General Transp Tech; Gary Rosenbaum, General Transp Tech; Brett Sander, Maintenance Section Supvr; Jason Schulze, Senior Equipment Operator; Ryan Stoker, General Transp Tech; Darrell Winkelmann, General Transp Tech; Dane Wunderlich, General Transp Tech

### El Paso District

Jesus Hernandez, Jose Ruben Hernandez

### Tyler District

Jonny Waldrup, Transportation Maintenance Crew Chief

## Professional Financial Awards

The Government Finance Officers Association (GFOA) has awarded TxDOT with the Certificate of Achievement for Excellence in Financial Reporting each year since 2019 for its Annual Comprehensive Financial Report (ACFR). In addition, TxDOT received the Outstanding Achievement in Popular Annual Financial Reporting award for the second time for its 2022 Popular Annual Financial Report (PAFR). This award is the highest standard for the preparation and issuance of state and local government popular reports. For the first time, TxDOT produced a Spanish version of the 2022 PAFR.

# Economic Condition

The current economic environment presents government entities, including state transportation departments, continued challenges. The inflation rate at the end of August 2023 was 3.7 percent. On a positive note, the unemployment rate in Texas has remained the same when compared to the preceding year. During the

previous five fiscal years, 2019-2023, 4,114 highway and bridge construction projects (estimated at \$35.9 billion) were let/awarded for \$35.6 billion. In addition, TxDOT awarded one design build contract totaling \$699.9 million in fiscal 2023.

## Population (Thousands)

	2022	2023
Texas	30,092	30,599
Percent Changes	1.6%	1.7%
U.S.	333,801	335,501
Percent Changes	0.4%	0.5%

## Total Personal Income (Millions)

	2022	2023
Texas	1,858,387	1,977,011
Percent Changes	5.1%	6.4%
U.S.	21,777,215	22,881,435
Percent Changes	2.3%	5.1%

## Per Capita Income

	2022	2023
Texas	61,757	64,610
Percent Changes	3.4%	4.6%
U.S.	65,240	68,201
Percent Changes	1.9%	4.5%

## Nonfarm Employment (Thousands)

	2022	2023
Texas	13,463	13,929
Percent Changes	5.8%	3.5%
U.S.	152,625	156,114
Percent Changes	4.3%	2.3%

## Unemployment Percentage Rate

	2022	2023
Texas	4.3%	4.0%
U.S.	3.6%	3.6%

## Employment by Industry (Thousands)

Goods Producing	2022	2023
Natural Resources and Mining	201	218
Construction	780	805
Manufacturing		
Durables	588	606
Nondurables	340	346
<b>Total, Goods Producing</b>	<b>1,909</b>	<b>1,975</b>
Service Providing	2022	2023
<b>Trade, Transportation, and Utilities</b>		
Wholesale Trade	638	670
Retail Trade	1,379	1,400
Transportation and Warehousing	640	650
Utilities	57	58
<b>Information</b>	230	243
<b>Financial Activities</b>		
Finance and Insurance	636	656
Real Estate and Rental and Leasing	244	255
<b>Professional and Business Services</b>		
Professional, Scientific and Technical	993	1,054
Management, Administrative and Support	1,080	1,085
<b>Educational and Health Services</b>		
Educational Services, Private	237	241
Health Care and Social Assistance	1,566	1,653
<b>Leisure and Hospitality</b>	1,411	1,466
<b>Other Services</b>	448	475
<b>Government</b>		
Federal Civilian	213	219
State and Local	1,782	1,829
<b>Total, Service Providing</b>	<b>11,554</b>	<b>11,954</b>
<b>Total Nonfarm Employment</b>	<b>13,463</b>	<b>13,929</b>

# Funding Sources

The State Highway Fund, or “Fund 6,” is TxDOT’s primary funding source and receives revenue from taxes and fees. Most of these revenues (motor fuel and lubricant taxes, motor vehicle registration fees and federal reimbursement) are dedicated by Section 7-a, Article VIII, Texas Constitution, to fund state right-of-way acquisition, highway construction and maintenance of public roadways. Funds constitutionally-dedicated for the purpose of supporting public roadways may not be spent on other modes of transportation such as rail projects, public transportation, aviation services, or Gulf Intracoastal Waterway improvements.

The State Highway Fund also contains subaccounts for Proposition 1 and 7 funds, State Infrastructure Bank (SIB) funds, and regional subaccounts will toll and concession revenue from previously approved Comprehensive Development Agreements (CDA’s). State law requires toll and concession revenues only to be used on projects within the region of the project generating the funds.

## Traditional Funding

- State Motor Vehicle Fuels Tax - (20 cents per gallon total, with 15 cents to the State Highway Fund and (5 cents to the Available School Fund)\*
- Federal highway \* - and other agency reimbursements (includes federal fuel tax) .
- Vehicle Registration Fees \*

- Other, smaller revenue amounts such as lubricant sales taxes,\* permit fees for special vehicles, fees, and interest\* on certain funds.
- Local project participation funds.

## Non-traditional Funding

- Proposition 1: A portion of existing oil and natural gas production taxes is divided evenly between the Economic Stabilization Fund and the State Highway Fund. This fund may only be used for constructing, maintaining, and acquiring rights-of-way for public roadways other than toll roads.
- Proposition 7: A portion of the revenue from the state sales and use tax, and motor vehicle sales and rental tax, is dedicated to the State Highway Fund. These funds may be used for the construction, maintenance, and acquisition of right-of-way for public roadways other than toll roads.
- Regional toll revenue and revenue from Comprehensive Development Arrangements.
- State Infrastructure Bank loan repayments and interest - Texas’ State Infrastructure Bank (SIB) is a revolving fund that allows local government entities to borrow money for the costs of certain transportation projects at favorable terms.

\*Indicates revenues that are dedicated by the Texas Constitution to fund public roadway projects.

## Statutorily Authorized Uses of Funding Streams

FUNDING SOURCE	PROJECT TYPE							
	Highways (Non – Tolled)	Highways (Tolled)	Rail (Passenger)	Rail (Freight)	Transit (Public)	Aviation (Public)	Ports (Outside Gates)	Ports (Inside Gates)
Proposition 1 Funds	✓							
Proposition 7 Funds	✓							
State Highway Fund (Dedicated)	✓	✓						
Texas Mobility Fund	✓		✓		✓	✓	✓	
State Highway Fund (Non Dedicated)	✓	✓	✓	✓	✓	✓	✓	
General Revenue	✓	✓	✓	✓	✓	✓	✓	✓

Non-constitutionally dedicated State Highway Fund revenues are fully committed and unavailable for new purposes without impacting the current uses noted above.

# Financial Summary: Management's Discussion and Analysis

## TxDOT's Reporting Entity

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 function 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 2023, 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.

## What is included in TxDOT's Annual Comprehensive Financial Report (ACFR)?

Each year, in addition to this popular version of the annual report, TxDOT produces an Annual Comprehensive Financial Report (ACFR). The ACFR is prepared using a reporting combination of both government-wide financial statements and fund financial statements. These financial statements consist of three major components:

- Government-wide financial statements include the Statement of Net Position and the Statement of Activities, which provide a broad, long-term overview of TxDOT's finances.
- Fund financial statements include the balance sheet and statement of revenue, expenditures, and net changes in

fund balances. They provide a greater level of detail of revenues and expenditures and focus on how well TxDOT has performed in the short term in the most significant funds.

- Notes to the basic financial statements.

Financial data contained in this report is presented in conformity with Generally Accepted Accounting Principles (GAAP). TxDOT's government funds use the modified accrual basis of accounting.

## What is the Management's Discussion and Analysis (MD&A)?

In the MD&A section of TxDOT annual report, management discusses numerous aspects of the organization, both past and present. Among other details, the MD&A provides an overview of the previous year of operations and how TxDOT fared in that time period. Management also touches on the upcoming year, outlining future goals, and approaches to new projects.

## Financial Highlights

- The largest revenue source earned in 2023 was from taxes with a total of \$9.1 billion. This was followed by operating grants and contributions with \$4.5 billion. A \$491.0 million restatement in net position was recognized during fiscal 2023 due to a change in accounting principle after the implementation of GASB Statement No. 94, (PPPs) and GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs).
- TxDOT received a total of \$2.5 billion in Proposition 7 funds for state sales and use taxes during fiscal 2023. In Aug. 2023, the department also received \$624.4 million of additional Proposition 7 funds for the state motor vehicle sales and rental tax revenue.
- TxDOT received a total of \$3.6 billion in Proposition 1 funds for oil and natural gas production taxes during fiscal 2023. The funding will be used by the state highway fund to assist in the completion of transportation construction, maintenance, and rehabilitation projects, not to include toll roads.

# Statement of Net Position

The statement of net position presents all of TxDOT's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as the net position.

TxDOT's fiscal year runs from September 1st through August 31st. Over time, increases or decreases in TxDOT's net position may be an indication of whether the financial situation of TxDOT is improving or deteriorating. TxDOT's statement of net position for fiscal years ending August 31, 2022-2023 is shown in the chart below.

## Statement of Net Position (Thousands)

	Governmental Activities		Business type Activities		Total	
	2022	2023	2022	2023	2022	2023
<b>Assets</b>						
Assets Other Than Capital Assets	\$15,514,801	\$19,176,576	\$4,969,417	\$1,825,181	\$20,484,218	\$21,001,757
Capital Assets	134,585,642	140,547,830	3,011,811	3,045,019	137,597,453	143,592,849
<b>Total Assets</b>	<b>150,100,443</b>	<b>159,724,406</b>	<b>7,981,228</b>	<b>4,870,200</b>	<b>158,081,671</b>	<b>164,594,606</b>
<b>Deferred Outflows of Resources</b>	1,112,784	1,044,500	194,705	186,981	1,307,489	1,231,481
<b>Liabilities</b>						
Current Liabilities	3,454,143	4,226,759	864,500	291,875	4,318,643	4,518,634
Non-current Liabilities	17,118,618	15,790,275	7,391,154	8,001,698	24,509,772	23,791,973
<b>Total Liabilities</b>	<b>20,572,761</b>	<b>20,017,034</b>	<b>8,255,654</b>	<b>8,293,573</b>	<b>28,828,415</b>	<b>28,310,607</b>
<b>Deferred Inflows of Resources</b>	15,150,113	13,047,232	25,067	39,922	15,175,180	13,087,154
<b>Net Position</b>						
Net Investment in Capital Assets	109,237,358	118,934,673	720,225	662,211	109,957,583	119,596,884
Restricted	11,153,348	11,705,281	386,685	527,701	11,540,033	12,232,982
Unrestricted	(4,900,353)	(2,935,314)	(1,211,698)	(4,466,226)	(6,112,051)	(7,401,540)
<b>Total Net Position</b>	<b>\$115,490,353</b>	<b>\$127,704,640</b>	<b>\$(104,788)</b>	<b>\$(3,276,314)</b>	<b>\$115,385,565</b>	<b>\$124,428,326</b>

The Statement of Net Position shows assets and deferred outflows totaling \$165.8 billion, increased by \$6.4 billion from fiscal year 2022, while liabilities and deferred inflows equaled \$41.4 billion, decreased by \$2.6 billion. The increase in assets and deferred outflows was primarily due to the increase in capital assets in amount of \$6.0 billion and cash and cash equivalents in amount of \$2.0 billion and public-private or public-public partnership asset in amount of \$2.0 billion, which was partly offset with a decrease in intangible assets in amount of \$3.2 billion due to adjustments related to GASB Statements No. 94 implementation during fiscal 2023. The decrease in liabilities and deferred inflows was primarily due to the decrease in payables in amount of \$1.6 billion and the decrease in service concession arrangements deferred inflows of resources in amount of \$12.8 billion, which was partly offset with an increase in public-private and public-public partnerships deferred inflows of resources in amount of \$10.8 billion during fiscal 2023.

TxDOT's overall net position increased by 7.8 percent or \$9.0 billion from the prior fiscal year. The three components of net position are:

**Net Investment in Capital Assets**

The most significant portion of net position (96.1 percent or \$119.6 billion) is invested in capital assets. Capital assets are long-lived in nature and cannot be used to liquidate liabilities. TxDOT's investment in capital assets is reported net of related debt.

**Restricted Net Position**

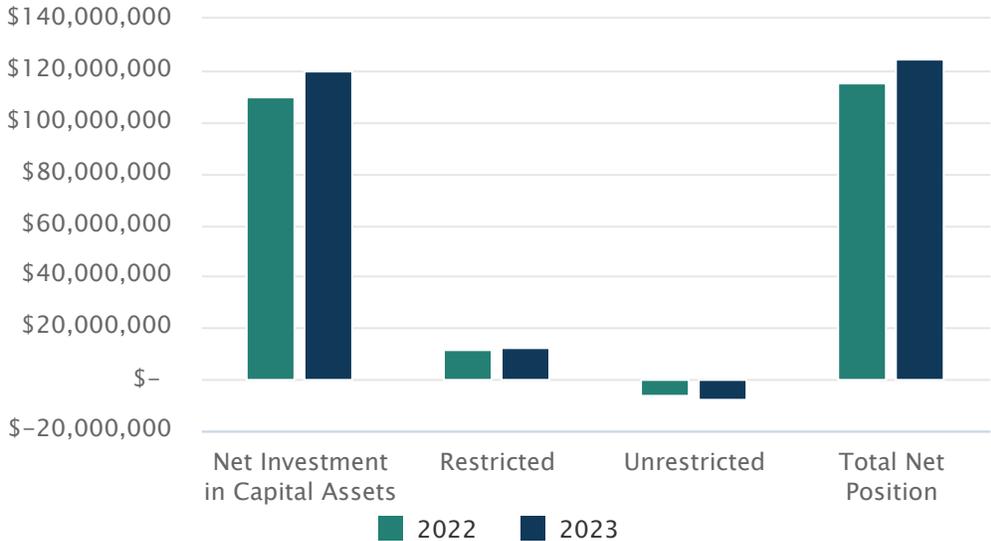
This portion of net position (9.8 percent or \$12.2 billion) is restricted, representing funds that are limited to construction activities, payment of debt, or specific programs by law.

**Unrestricted Net Position**

The remaining portion of net position is unrestricted, representing resources not required to be reported in the other two components of net position. TxDOT had a deficit unrestricted net position balance of \$7.4 billion in fiscal 2023.

A two-year representation of TxDOT's net position balances is presented as follows.

**TxDOT Total Net Position (Thousands)**



# Changes in Net Position

The statement of activities shows how TxDOT's net position changed during the year reported, and shows total revenues earned and expenses incurred. When revenues exceed expenses, TxDOT's net position increases. If expenses were to exceed revenues, net position would decrease.

In 2023, TxDOT's revenues exceeded expenditures by \$7.7 billion.

TxDOT earned program revenues of \$6.5 billion and general revenues of \$9.5 billion, for total revenues of \$16.0 billion. The expenses of TxDOT were \$8.3 billion.

The total net position increased to \$124.4 billion in fiscal year 2023 from \$115.4 billion in fiscal year 2022 due to revenues exceeding expenses.

## Changes in Net Position (Thousands)

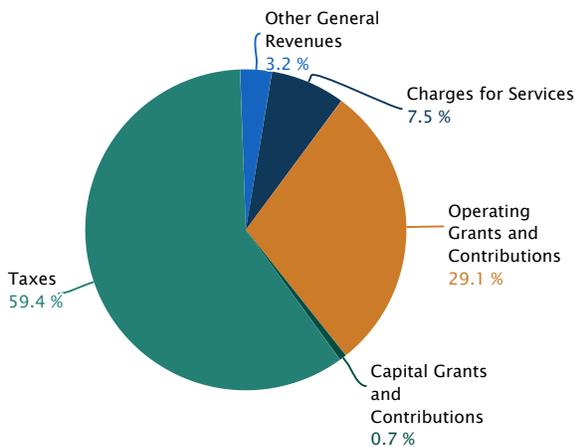
	Governmental Activities		Business type Activities		Total	
	2022	2023	2022	2023	2022	2023
<b>Revenue</b>						
<b>Program Revenues:</b>						
Charges for Services	\$1,094,551	\$1,149,211	\$519,230	\$699,358	\$1,613,781	\$1,848,569
Operating Grants and Contributions	4,714,863	4,443,358	(11,362)	66,399	4,703,501	4,509,757
Capital Grants and Contributions	58,860	113,664			58,860	113,664
<b>Total Program Revenues</b>	<b>5,868,274</b>	<b>5,706,233</b>	<b>507,868</b>	<b>765,757</b>	<b>6,376,142</b>	<b>6,471,990</b>
<b>General Revenues:</b>						
Appropriations	1,484	1,232			1,484	1,232
Taxes	9,452,897	9,064,232			9,452,897	9,064,232
Unrestricted Investment Earnings	60,106	423,542			60,106	423,542
Settlement of Claims	36,949	49,020			36,949	49,020
Other General Revenues	2,576	11,971			2,576	11,971
<b>Total General Revenues</b>	<b>9,554,012</b>	<b>9,549,997</b>			<b>9,554,012</b>	<b>9,549,997</b>
<b>Total Revenues</b>	<b>15,422,286</b>	<b>15,256,230</b>	<b>507,868</b>	<b>765,757</b>	<b>15,930,154</b>	<b>16,021,987</b>
<b>Expenses</b>						
Transportation	6,893,610	7,645,612	710,006	678,325	7,603,616	8,323,937
<b>Total Expenses</b>	<b>6,893,610</b>	<b>7,645,612</b>	<b>710,006</b>	<b>678,325</b>	<b>7,603,616</b>	<b>8,323,937</b>
<b>Excess (Deficiency) Before Transfers</b>	<b>8,528,676</b>	<b>7,610,618</b>	<b>(202,138)</b>	<b>87,432</b>	<b>8,326,538</b>	<b>7,698,050</b>
<b>Transfers - Internal Activities</b>	<b>(3,870)</b>	<b>32,650</b>	<b>3,870</b>	<b>(32,650)</b>		
<b>Transfers - Other State Agencies</b>	<b>1,960,028</b>	<b>1,835,708</b>			<b>1,960,028</b>	<b>1,835,708</b>
<b>Change in Net Position</b>	<b>10,484,834</b>	<b>9,478,976</b>	<b>(198,268)</b>	<b>54,782</b>	<b>10,286,566</b>	<b>9,533,758</b>
<b>Net Position, Beginning Balance</b>	<b>105,007,783</b>	<b>115,490,353</b>	<b>93,480</b>	<b>(104,788)</b>	<b>105,101,263</b>	<b>115,385,565</b>
<b>Change in Accounting Principle*</b>	<b>(2,264)</b>	<b>2,735,311</b>		<b>(3,226,308)</b>	<b>(2,264)</b>	<b>(490,997)</b>
<b>Net Position, Beginning Balance, as Restated</b>	<b>105,005,519</b>	<b>118,225,664</b>	<b>93,480</b>	<b>(3,331,096)</b>	<b>105,098,999</b>	<b>114,894,568</b>
<b>Net Position, Ending Balance</b>	<b>\$115,490,353</b>	<b>\$127,704,640</b>	<b>\$(104,788)</b>	<b>\$(3,276,314)</b>	<b>\$115,385,565</b>	<b>\$124,428,326</b>

# Government-wide Revenue and Expense Summary

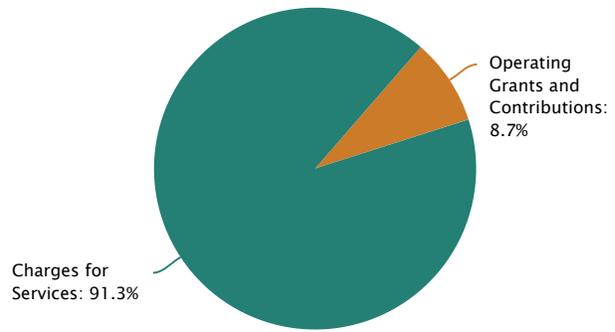
## Revenues

TxDOT earned program revenues of \$6.5 billion and general revenues of \$9.5 billion, for total revenues of \$16.0 billion. In 2023, the largest revenue source in TxDOT's Governmental Activities was taxes, representing 59.4 percent of all revenue collected. In Business-Type activities, charges for services was the largest component of revenue, representing 91.3 percent of all revenues collected. The following charts detail the revenue breakdown by component for both Governmental and Business-Type activities.

**Revenues by Source: Governmental Activities  
For the Fiscal Year Ended August 31, 2023**



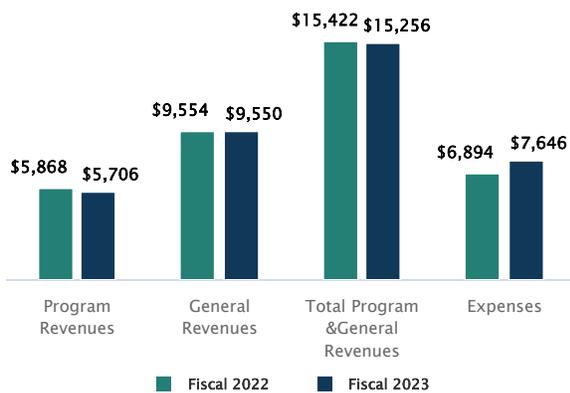
**Revenues by Source: Business-Type Activities  
For the Fiscal Year Ended August 31, 2023**



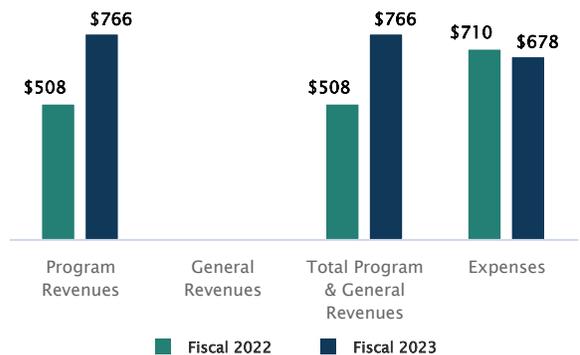
## Expenses

At the government-wide level, all expenses are presented as transportation expenses for a total of \$8.3 billion. The charts that follow present a year over year comparison of TxDOT's government-wide revenues and expenses, governmental fund expenditures, and proprietary fund expenses.

**Expenses and Revenues: Governmental Activities  
For the Fiscal Years August 31, 2022 and 2023 (Millions)**



**Expenses and Revenues: Business-Type Activities  
For the Fiscal Years August 31, 2022 and 2023 (Millions)**



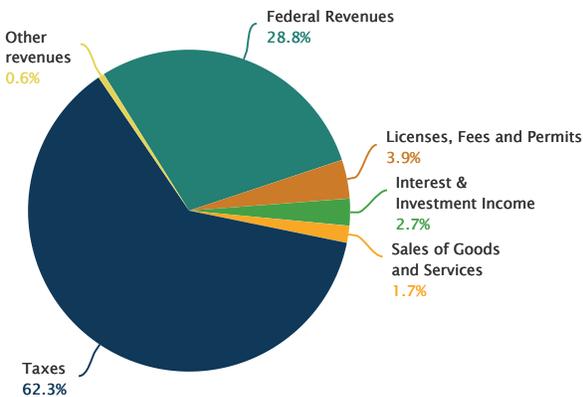
# Governmental Fund Highlights

## Governmental Funds

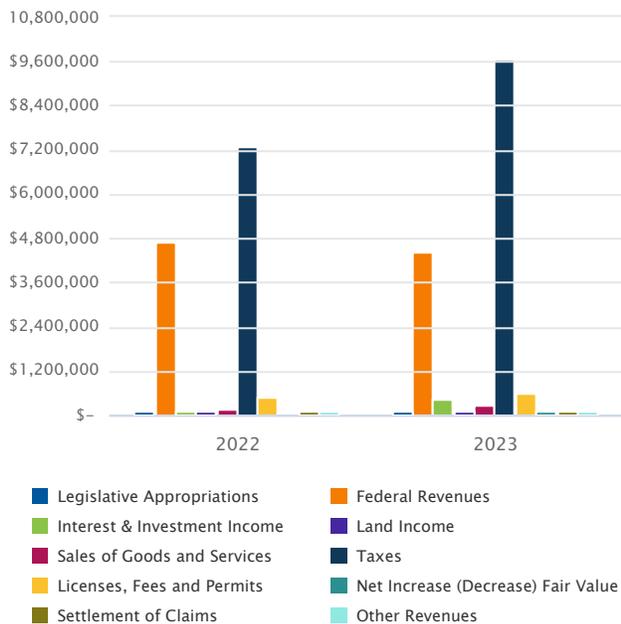
The focus of TxDOT's governmental funds financial statements is to provide information on how money flows into and out of the funds, and amounts remaining at year-end for future spending. TxDOT has two major governmental funds: the State Highway Fund and the Texas Mobility Fund. TxDOT's governmental funds reported a combined ending fund balance of \$8.5 billion on Aug. 31, 2023, most of which is allocated to restricted capital projects.

- 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, 2023, was \$8.0 billion. Total revenues increased by \$2.5 billion, or 21.1 percent, to \$14.5 billion in fiscal 2023. 94.9 percent of the total revenue included \$9.6 billion of taxes and \$4.2 billion of federal revenue. \$9.2 billion capital outlay expenditures contributed to 64.1 percent of overall SHF's expenditures in fiscal 2023. Changes in fund balance was \$1.8 billion in fiscal 2023, an increase of \$1.0 billion from fiscal 2022, which was due to increase in revenues in amount of \$2.5 billion, increase in expenditures in amount of \$1.7 billion, increase in other financing sources in amount of \$183.1 million. The changes were: tax revenue increase of \$2.5 billion, primarily due to increased oil and natural gas tax and motor vehicle sales and use tax collections during fiscal 2023. In addition, transportation expenditures increased by \$418.3 million and capital outlay increased by \$1.2 billion due to increased utilization of Proposition 1 and 7 revenues during fiscal 2023.

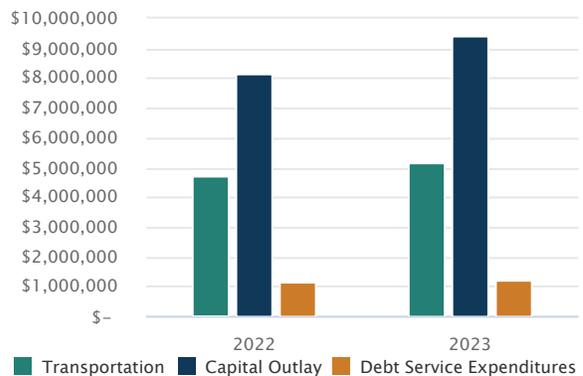
## Governmental Fund Revenues Percentages



## Governmental Fund Revenues by Source (Thousands)

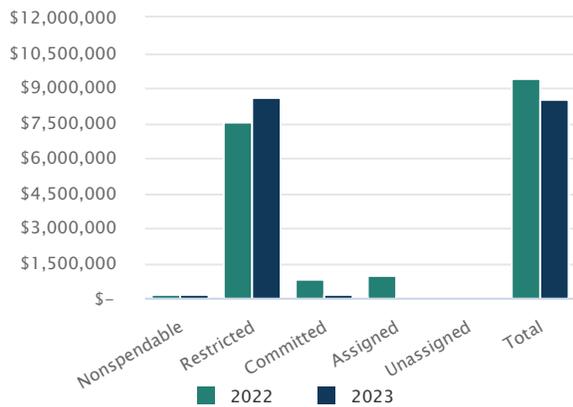


## Governmental Fund Expenditures by Use (Thousands)



- 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, 2023 was \$421.1 million, a decrease of \$40.5 million or 8.8 percent, from \$461.6 million on Aug. 31, 2022. Change in fund balance was \$40.5 million in fiscal 2023 compared to \$72.3 million in fiscal 2022, a 156.0 percent decrease over the fiscal year. The change was caused by increase in revenues of \$24.3 million, increase in expenditures of \$134.6 million, decrease in other financing uses of \$2.5 million. A total of \$418.7 million of revenues were collected for the fund. The major revenue sources were licenses, fees and permits, which accounted for \$384.0 million or 91.7 percent of total fund's revenue. Interest contributed to \$234.8 million, which was 41.1 percent of the total expense of Texas Mobility Fund.

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

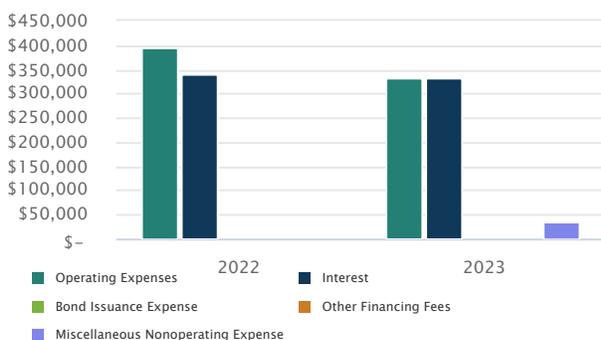


## Proprietary Fund Highlights

### 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.

### Proprietary Fund Expenses (Thousands)

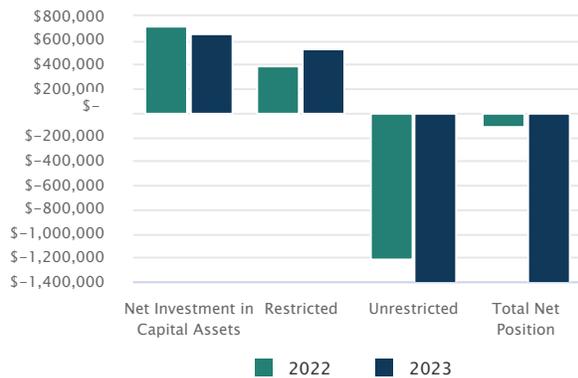


- Central Texas Turnpike System - The net position of CTTS was \$217.4 million as of Aug. 31, 2023, an increase of \$31.4 million from fiscal 2022. CTTS' operating revenues increased by \$88.7 million or 34.6 percent over fiscal 2022. The increase was due to increase in toll revenue - pledged after the substantial resolution of billing issues related to implementation of the new back-office system. The total expense for CTTS in fiscal 2023 was \$357.7 million, compared

to \$346.9 million in fiscal 2022. Depreciation and amortization combined with interest expenses contributed to \$223.7 million, which was 62.5 percent, of the total expense of CTTS.

- Grand Parkway Transportation Corporation - GPTC reported a deficit net position of \$3.7 billion in fiscal 2023, a decrease in net position of \$3.2 billion over fiscal 2022. This decrease was primarily attributed to the removal of the GPTC's \$3.2 billion intangible asset after the implementation of GASB Statement No. 94 in fiscal 2023. GPTC's operating revenues in fiscal 2023 increased by \$77.3 million, or 31.4 percent over fiscal 2022. The increase was due to increase in toll revenue - pledged (due to increase in toll transactions). In fiscal 2023, GPTC's total expenses were \$300.2 million, which decreased by \$46.9 million or 13.5 percent over fiscal 2022. The largest expense in fiscal 2023 was \$186.4 million of interest expense.
- SH 249 System -The net position of SH 249 System was \$249.1 million as of Aug. 31, 2023, an increase of 2.4 percent over fiscal 2022. During fiscal 2023, SH 249 System generated \$21.9 million in toll revenue, net of allowance for doubtful accounts. The total increase in net position of \$5.7 million, which was caused by operating revenues in amount of \$21.9 million, operating expenses in amount of \$7.6 million, non operating expenses in amount of \$10.4 million, capital contributions and transfers to fund in amount of \$1.9 million.

**Proprietary Fund Net Position, All Funds (Thousands)**



The deficit unrestricted net position balance in the proprietary funds is due to the accumulated accretion on Capital Appreciation Bonds. The annual accretion increases the liability balance of the outstanding bonds with no corresponding asset increase in the unrestricted net position category.

# Capital Assets

TxDOT's capital assets are comprised of roads, bridges, buildings, land, equipment, and intangible capital assets. As of Aug. 31, 2023, TxDOT had \$143.6 billion in net capital assets, a \$6.0 billion or 4.4 percent increase over fiscal 2022. The increase was due to an increase in infrastructure - depreciable of \$4.6 billion, land and land improvements of \$835.6 million, construction in progress of \$410.3 million in fiscal 2023. The total accumulated depreciation and amortization for TxDOT as of Aug. 31, 2023 was \$33.4 billion.

## Capital Assets - Net of Depreciation and Amortization - August 31, 2022 and 2023 (Thousands)

	Governmental Activities		Business type Activities		Total	
	2022	2023	2022	2023	2022	2023
Land and Land Improvements	\$17,981,575	\$18,817,488	\$726,129	\$725,847	\$18,707,704	\$19,543,335
Infrastructure - Depreciable	92,580,384	97,118,247	1,970,285	2,075,947	94,550,669	99,194,194
Construction in Progress	22,693,856	23,261,253	253,495	96,418	22,947,351	23,357,671
Buildings and Building Improvements	647,859	620,921	2,437	2,076	650,296	622,997
Furniture and Equipment	73,398	75,598			73,398	75,598
Vehicles, Boats and Aircraft	352,068	371,509			352,068	371,509
Other Capital Assets	4,738	2,227			4,738	2,227
Land Use Rights - Permanent	88,792	89,417	19,466	19,466	108,258	108,883
Land Use Rights - Term	222	106			222	106
Computer Software	134,052	108,808	39,999	29,787	174,051	138,595
Buildings and Building Improvements (RTU)	21,311	19,728			21,311	19,728
Land Use Rights - Permanent (RTU)	1,866	2,936			1,866	2,936
Furniture and Equipment (RTU)	5,521	8,703			5,521	8,703
Subscriptions (RTU)		50,889		95,478		146,367
<b>Total Capital Assets</b>	<b>\$134,585,642</b>	<b>\$140,547,830</b>	<b>\$3,011,811</b>	<b>\$3,045,019</b>	<b>\$137,597,453</b>	<b>\$143,592,849</b>

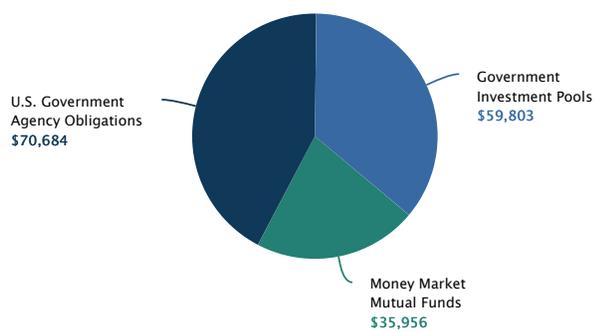
# Short and Long-Term Assets

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).

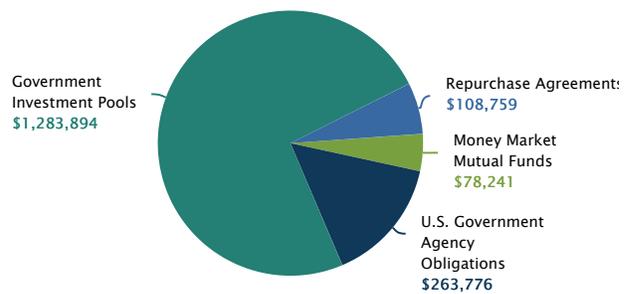
Governmental fund deposits in the state treasury totaled \$11.7 billion at Aug. 31, 2023.

As of Aug. 31, 2023, the measurements of TxDOT’s investments by major type are summarized below:

**Investments - Governmental Activities (Thousands)**



**Investments - Business-Type Activities (Thousands)**



# Long-Term Debt

## Outstanding Bonds

TxDOT as a whole had a little over \$19.8 billion in outstanding bonded debt at the end of fiscal 2023.

This is made up of \$9.4 billion in general obligation (GO) bonds, and \$10.5 billion in revenue bonds. This figure has decreased by \$716.3 million compared to fiscal 2022.

**Outstanding Bonded Debt - August 31, 2022 and 2023 (Thousands)**

	Governmental Activities		Business type Activities	
	2022	2023	2022	2023
General Obligation Bonds Payable	\$9,707,449	\$9,353,914	\$	\$
Revenue Bonds Payable	3,352,822	3,051,820	7,484,376	7,422,605
<b>Total Bonds Payable</b>	<b>\$13,060,271</b>	<b>12,405,734</b>	<b>\$7,484,376</b>	<b>7,422,605</b>

## Credit Ratings

Credit ratings are used by bond investors to determine an organization’s financial stability and, subsequently, the safety and security of the debt sold by the organization. Strong ratings help to expand the market by attracting additional bond buyers. The department currently has outstanding bonds credit ratings with Fitch, Moody’s, Standard & Poor’s, and Kroll Bond Rating Agency.

### Long-Term Credit Ratings as of August 31, 2023

Governmental Activities	Fitch	Moody s	Standard & Poor s	Kroll
<b>General Obligation Bonds</b>				
TMF 2009-A, 2014, 2014-A,B, 2015-A, B, 2017-A,B	AAA	Aaa	AAA	AAA
TMF 2020	AAA	Aaa	n/a	AAA
HIGO 2010-A, 2014, 2016, 2016-A, 2019	AAA	Aaa	AAA	AAA
HIGO 2020	AAA	Aaa	n/a	AAA
<b>Revenue Bonds</b>				
SHF 2008, 2010, 2014-A, 2015, 2016-A,B, 2020	n/a	Aaa	AAA	n/a
Business Type	Fitch	Moody s	Standard & Poor s	Kroll
<b>Revenue Bonds</b>				
CTTS 2002-A, 2012-A, 2015-B, 2020-A,B,C	A+	A3	A	n/a
CTTS 2015-C	A-	Baa1	A-	n/a
GPTC 2013-B,E, 2018-A	AA	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	Baa2	n/a	n/a
GPTC 2023	AA	Aa1	n/a	n/a

# Future Financial Planning

The **Unified Transportation Program (UTP)** is TxDOT's 10-year plan that guides the development of transportation work across the state. Organized into 12 funding categories, with each one addressing a specific type of work, the UTP authorizes the distribution of construction dollars expected to be available over the next 10 years. Within the UTP framework, TxDOT works with elected officials, local planning organizations, and the public to select and fund the state's highest priority

transportation projects. In addition to highway projects, the UTP addresses public transportation, maritime, aviation, rail and freight, and international trade. The Texas Transportation Commission approves the UTP annually in accordance with Texas state law, and TxDOT publishes the approved UTP each year.

The UTP is part of a comprehensive planning and programming process flowing from TxDOT's agency mission to project-level implementation.

## UTP DEVELOPMENT TIMELINE - ANNUAL 10-STEP CYCLE \*

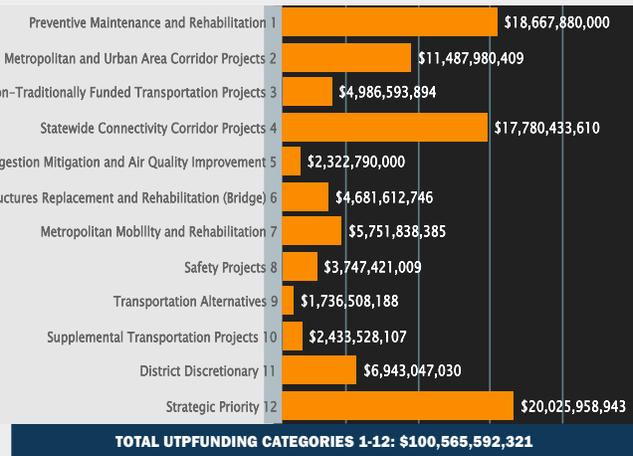


\* This timeline is subject to change. For the latest information about public involvement dates, see the UTP Public Involvement page on [TxDOT.gov](https://www.txdot.gov). To maximize the limited time of an annual cycle, many UTP development steps are conducted concurrently and may overlap on the timeline.

## PERFORMANCE MEASURES AND TARGETS FOR THE TRANSPORTATION SYSTEM

STRATEGIC PLAN GOAL	PERFORMANCE VISION	PERFORMANCE MEASURES	2033 TARGET
<b>PROMOTE SAFETY</b> 	Reduce crashes and fatalities through targeted infrastructure improvements, technology applications, and education	SAFETY: FATALITIES/YR	<b>2,031</b>
		SAFETY: FATALITY RATE	<b>0.58</b>
<b>PRESERVE OUR ASSETS</b> 	Maintain and preserve system/asset conditions through targeted infrastructure rehabilitation, restoration, and replacement	PRESERVATION: PAVEMENT CONDITION	<b>90%</b>
		PRESERVATION: STATEWIDE BRIDGE CONDITION SCORE	<b>90%</b>
<b>OPTIMIZE SYSTEM PERFORMANCE</b> 	Enhance mobility, connectivity, and mitigate congestion through targeted infrastructure and operational improvements	CONGESTION: URBAN CONGESTION	<b>1.20</b>
		INDEX CONNECTIVITY: RURAL RELIABILITY INDEX	<b>1.12</b>

## 2024 UTP FUNDING DISTRIBUTION BY CATEGORY



That is, the UTP is an intermediate programming document linking the planning activities of the Statewide Long-Range Transportation Plan (SLRTP), the Metropolitan Transportation Plans (MTP), and Rural Transportation Plan to the detailed programming activities under the Statewide Transportation

Improvement Program (STIP) and TxDOT's 24-month (2-year) Letting Schedule.

The outcome of the UTP process is a list of projects TxDOT intends to develop or begin constructing over the next 10 years, as well as information on the available funding associated with those projects.

# Definition of Terms

**Accrual basis** is the method of accounting that records revenues and expenses when they are incurred, in contrast with “cash basis”, which records revenues and expenses when the cash is received or paid. (See also modified accrual basis)

**Assets** are resources which TxDOT owns (and therefore controls) that can be utilized in providing services. For example, cash from tax collections is an “asset” that is used to pay for highway construction projects.

**Capital assets** are the buildings, roads and bridges, furniture and equipment, land, and other long-lived assets that are utilized by TxDOT in providing services to its taxpayers.

**Current assets** include cash and assets that can be quickly turned into cash to pay this current liabilities within one year.

**Deferred inflows of resources** are an acquisition of net position during the year that is applicable to a future year. For example, a federal grant may be received in 2023 to reimburse TxDOT’s incurred costs, but the grantor may restrict spending until 2024 because that is when the federal budget has appropriated them.

**Deferred outflows of resources** are a consumption of net position during the year that is applicable to a future year. This is the opposite of deferred inflows of resources.

**Fund balance** denotes the amount of equity in a governmental fund, and represents assets plus deferred outflows of resources, less liabilities and deferred inflows of resources. Business-type funds use the term “net position.”

**Government-wide reporting** provides an aggregate view of TxDOT’s financial activities consolidating governmental and business-type activities using the accrual basis of accounting.

**Liabilities** are current obligations to use resources that the government has little or no discretion to avoid, such as payments owed to suppliers.

**Long-term liabilities** include items such as bonds, loans, pension contributions, and other obligations due more than one year in the future.

**Modified accrual basis** is the method of accounting used for governmental funds, and focuses on whether those funds have sufficient resources to pay their bills in the short-term.

**Net investment in capital assets** is the portion of net position that represents the historical cost of capital assets less the amount of debt used to acquire them.

**Net position** is the residual of all other financial statement elements found in accrual basis statements: the difference between a) assets plus deferred outflows of resources; and b) liabilities plus deferred inflows of resources.

**Restricted net position** is the portion of net position subject to external spending restrictions, such as state law, bond covenants, or contracts.

**Unrestricted net position** is the portion of net position not tied up in net investment in capital assets or by external legal restrictions. It is available at the government’s discretion to pay bills.

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