

YEAR ENDED AUGUST 31

2020

UNAUDITED ANNUAL
FINANCIAL REPORT



TEXAS GENERAL LAND OFFICE
& TEXAS VETERANS LAND BOARD

GEORGE P. BUSH,
COMMISSIONER
& CHAIRMAN

TEXAS GENERAL LAND OFFICE VETERANS LAND BOARD

FINANCIAL REPORTING STAFF

David Repp
Chief Financial Officer

Brent McNguyen
Deputy Chief Financial Officer

Jessica Johnston, CPA
Financial Reporting & Accounting Director

Brandon Myers
Financial Reporting & Accounting Manager

J. Renee Castro
Team Lead

Cassandra Blanchard, CPA
Senior Accountant

Brenda Stephens
Accountant

Eric Cruz
Accountant

Caroline Verver, CPA
Accountant

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AUGUST 31, 2020



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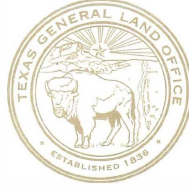
TEXAS GENERAL LAND OFFICE
VETERANS LAND BOARD

INTRODUCTION

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AUGUST 31, 2020



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TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

November 20, 2020

The Honorable Greg Abbott, Governor
The Honorable Glenn Hegar, State Comptroller
Jerry McGinty Director, Legislative Budget Board
Lisa Collier, First Assistant State Auditor

Dear Governor Abbott, Comptroller Hegar, Mr. McGinty and Ms. Collier:

I am pleased to submit the Annual Financial Report of the Texas General Land Office and Veterans Land Board (305) for the fiscal year ended August 31, 2020, in compliance with Texas Government Code Ann. §2101.011 and in accordance with the requirements established by the Comptroller of Public Accounts.

Due to the statewide requirements embedded in Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, the Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all the requirements in this statement. The financial report will be considered for audit by the State Auditor as part of the audit of the State of Texas Comprehensive Annual Financial Report; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

If you have any questions, please contact Jessica Johnston, GLO Director of Financial Reporting and Accounting, at (512) 475-0284.

Sincerely,

GEORGE P. BUSH
Commissioner, Texas General Land Office

Enclosure

UNAUDITED

TEXAS GENERAL LAND OFFICE
VETERANS' LAND BOARD

GENERAL PURPOSE
FINANCIAL STATEMENTS

UNAUDITED ANNUAL FINANCIAL REPORT
AUGUST 31, 2020



UNAUDITED
Texas General Land Office and Veterans' Land Board

EXHIBIT I

COMBINED BALANCE SHEET/STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS

August 31, 2020

(With comparative memorandum totals for August 31, 2019)

	GOVERNMENTAL FUND TYPES		
	GENERAL	SPECIAL	PERMANENT
	REVENUE	REVENUE	FUNDS
	FUNDS	FUNDS	FUNDS
	(EXH. A-1)	(EXH. B-1)	(EXH. C-1)
	\$	\$	\$
ASSETS			
Current Assets:			
Cash:			
Cash on Hand	200.00		
Cash in Bank (Note 3)	10,000.00		386,902.33
Cash in State Treasury	27,234,414.41	6,014,683.34	333,780,166.68
Short-Term Investments (Note 3):			
Legislative Appropriation	234,899,077.22		
Receivables:			
Federal	95,456,300.85	1,747,334.04	
Interest and Dividends	12,650.71	3,062.62	289,506.57
Accounts	214,035.04	137,135.98	117,250,305.41
Due From:			
Other Funds	8,736,321.82	137,056.25	2,976,613.28
Other Agencies	967,857.06		
Consumable Inventories			
Prepaid Items	852,000.77		1,052.88
Notes Receivable			17,141.38
Total Current Assets	<u>368,382,857.88</u>	<u>8,039,272.23</u>	<u>454,701,688.53</u>
Noncurrent Assets:			
Notes Receivable			57,514.57
Investments in Real Assets at Fair Value (Note 3)			6,568,682,135.00
Capital Assets (Note 2):			
Depreciable Capital Assets:			
Vehicles, Boats, and Aircraft			
Less Accumulated Depreciation			
Furniture and Equipment			
Less Accumulated Depreciation			
Buildings			
Less Accumulated Depreciation			
Facilities and Other Improvements			
Less Accumulated Depreciation			
Other Capital Assets			
Less Accumulated Depreciation			
Non-Depreciable Capital Assets:			
Construction in Progress			
Other Capital Assets			
Land and Land Improvements			
Amortizable Intangible Assets:			
Computer Software			
Less Accumulated Amortization			
Total Noncurrent Assets	<u>0.00</u>	<u>0.00</u>	<u>6,568,739,649.57</u>
TOTAL ASSETS	<u><u>368,382,857.88</u></u>	<u><u>8,039,272.23</u></u>	<u><u>7,023,441,338.10</u></u>

UNAUDITED

GOVERNMENTAL FUNDS				STATEMENT OF NET POSITION	
GOVERNMENT-WIDE FINANCIAL STATEMENT (GWFS)				TOTALS	
TOTALS		ADJUSTMENTS		(Memorandum Only)	
(Memorandum Only)	CAPITAL ASSETS	LONG-TERM LIABILITIES	OTHER	2020	2019
\$	\$	\$	\$	\$	\$
200.00				200.00	200.00
396,902.33				396,902.33	672,795.60
367,029,264.43				367,029,264.43	4,495,589,501.17
234,899,077.22				234,899,077.22	139,938,189.86
97,203,634.89				97,203,634.89	59,291,432.91
305,219.90				305,219.90	9,219,959.84
117,601,476.43				117,601,476.43	223,496,005.76
11,849,991.35				11,849,991.35	1,748,846.38
967,857.06				967,857.06	135,399.09
0.00				0.00	32,453.55
853,053.65				853,053.65	862,080.93
17,141.38				17,141.38	15,827.70
831,123,818.64	0.00	0.00	0.00	831,123,818.64	4,931,002,692.79
57,514.57				57,514.57	74,655.91
6,568,682,135.00				6,568,682,135.00	7,746,716,457.59
	7,647,871.50			7,647,871.50	7,690,176.34
	(6,204,348.25)			(6,204,348.25)	(5,932,536.54)
	8,223,430.04			8,223,430.04	7,824,581.18
	(6,114,715.65)			(6,114,715.65)	(5,537,732.34)
	69,267,329.11			69,267,329.11	67,558,359.00
	(37,350,799.01)			(37,350,799.01)	(34,708,526.39)
	3,560,357.11			3,560,357.11	2,662,275.92
	(480,604.21)			(480,604.21)	(284,512.41)
	139,228.00			139,228.00	15,000.00
	(20,646.48)			(20,646.48)	(15,000.00)
	1,399,012.30			1,399,012.30	316,138.60
	16,144,444.58			16,144,444.58	16,025,177.28
	7,214,800.19			7,214,800.19	7,214,800.19
	1,094,440.07			1,094,440.07	1,094,440.07
	(982,063.87)			(982,063.87)	(923,309.23)
6,568,739,649.57	63,537,735.43	0.00	0.00	6,632,277,385.00	7,809,790,445.17
7,399,863,468.21	63,537,735.43	0.00	0.00	7,463,401,203.64	12,740,793,137.96

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Texas General Land Office and Veterans' Land Board

EXHIBIT I (concluded)

COMBINED BALANCE SHEET/STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS

August 31, 2020

(With comparative memorandum totals for August 31, 2019)

	GOVERNMENTAL FUND TYPES		
	GENERAL	SPECIAL	PERMANENT
	REVENUE	REVENUE	FUNDS
	FUNDS	FUNDS	FUNDS
	(EXH. A-1)	(EXH. B-1)	(EXH. C-1)
	\$	\$	\$
LIABILITIES AND FUND BALANCES			
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources			
TOTAL DEFERRED OUTFLOWS	0.00	0.00	0.00
LIABILITIES			
Current Liabilities:			
Payables:			
Accounts	91,976,110.34	742,243.71	4,976,426.08
Payroll	4,441,667.17	102,484.94	1,387,347.79
Interest			57,522.56
Due To:			
Other Funds	8,340,722.15	1,030,416.46	3,623,453.28
Other Agencies	1,989,601.13	1,461,366.56	
Unearned Revenues	159,733,150.74	13,854.00	162,222,899.13
Employees' Compensable Leave (Note 5)			
Funds Held for Others			
Total Current Liabilities	266,481,251.53	3,350,365.67	172,267,648.84
Noncurrent Liabilities:			
Employees' Compensable Leave (Note 5)			
Total Noncurrent Liabilities	0.00	0.00	0.00
TOTAL LIABILITIES	266,481,251.53	3,350,365.67	172,267,648.84
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources			
TOTAL DEFERRED INFLOWS	0.00	0.00	0.00
FUND FINANCIAL STATEMENT - FUND BALANCES			
Fund Balances (Note 1):			
Nonspendable for Inventory			1,052.88
Nonspendable for Prepaid	852,000.77		
Restricted	5,090,997.25	4,688,906.56	6,851,172,636.38
Committed	15,909,366.90		
Assigned	90,426.54		
Unassigned	79,958,814.89		
TOTAL FUND BALANCES (Exhibit II)	101,901,606.35	4,688,906.56	6,851,173,689.26

GOVERNMENT-WIDE STATEMENT

NET POSITION

Invested in Capital Assets, Net of Related Debt

Restricted

Unrestricted

TOTAL NET POSITION (Exhibit II)

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

UNAUDITED

GOVERNMENTAL FUNDS TOTALS				GOVERNMENT-WIDE FINANCIAL STATEMENT (GWFS) ADJUSTMENTS			
(Memorandum Only)				(Memorandum Only)			
2020				2020			
\$	\$	\$	\$	CAPITAL ASSETS	LONG-TERM LIABILITIES	OTHER	
	0.00						
	0.00	0.00	0.00			0.00	0.00
97,694,780.13							
5,931,499.90							
57,522.56							
12,994,591.89							
3,450,967.69							
321,969,903.87							
0.00					7,449,027.33		
0.00							
442,099,266.04		0.00			7,449,027.33		0.00
0.00							
0.00		0.00			0.00		0.00
442,099,266.04		0.00			7,449,027.33		0.00
0.00							
0.00		0.00			0.00		0.00
0.00							
0.00							
853,053.65							
6,860,952,540.19							
15,909,366.90							
90,426.54							
79,958,814.89							
6,957,764,202.17							
	63,537,735.43					6,851,173,689.26	
					(7,449,027.33)	(6,851,173,689.26)	
	63,537,735.43				(7,449,027.33)	0.00	

STATEMENT OF NET POSITION TOTALS	
(Memorandum Only)	
2020	2019
\$	\$
0.00	0.00
0.00	0.00
97,694,780.13	49,637,384.03
5,931,499.90	5,445,445.23
57,522.56	0.00
12,994,591.89	4,014,658.61
3,450,967.69	5,289,331.20
321,969,903.87	230,177,156.66
7,449,027.33	3,591,763.59
0.00	0.00
449,548,293.37	298,155,739.32
0.00	2,827,085.76
0.00	2,827,085.76
449,548,293.37	300,982,825.08
0.00	0.00
0.00	0.00
0.00	
0.00	31,986.15
853,053.65	862,080.93
6,860,952,540.19	12,286,376,595.89
15,909,366.90	29,477,326.16
90,426.54	
79,958,814.89	66,481,841.43
6,957,764,202.17	12,383,229,830.56
	62,999,331.67
	12,281,773,157.34
	(12,288,192,006.69)
	12,439,810,312.88

UNAUDITED
Texas General Land Office and Veterans' Land Board

EXHIBIT II

**COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES**

For the Year Ended August 31, 2020

(With comparative memorandum totals for the year ended August 31, 2019)

	GOVERNMENTAL FUND TYPES		
	GENERAL	SPECIAL	PERMANENT
	REVENUE	REVENUE	FUNDS
	FUNDS	FUNDS	FUNDS
	(EXH. A-2)	(EXH. B-2)	(EXH. C-2)
REVENUES	\$	\$	\$
Legislative Appropriations:			
Original Appropriations	3,556,222.00		
Additional Appropriations	835,178.38		
Federal Revenues (Sch. 1-A)	806,727,526.31	4,301,768.90	
Federal Grant Pass-Through Revenues (Sch. 1-A)	16,644,093.35		
State Grant Pass-Through Revenues (Sch. 1-B)	84,994.66		
Licenses, Fees, and Permits	1,157,683.89		1,749,282.44
Interest and Other Investment Income	365,024.21	72,938.26	98,482,057.26
Gain (Loss) on Sale of Sovereign/Other Land			2,766,216.32
Net Increase (Decrease) in Fair Value of Investments			(1,670,962,923.86)
Land Income	9,758.45	3,420,840.56	794,534,484.40
Sales of Goods and Services	4,137,694.69		54,346,651.63
Other Revenues	7,191,298.94	(20,608.47)	220,881.04
TOTAL REVENUES	840,709,474.88	7,774,939.25	(718,863,350.77)
EXPENDITURES/EXPENSES			
Salaries and Wages	38,733,483.29	1,176,354.22	14,585,780.45
Payroll Related Costs	12,267,797.08	359,642.61	4,791,727.91
Professional Fees and Services	419,452,503.48	586,444.85	4,749,105.16
Travel	382,640.07	14,267.88	40,150.12
Materials and Supplies	2,085,442.18	399,596.75	50,908,624.41
Communication and Utilities	949,574.74	205,020.86	625,269.14
Repairs and Maintenance	983,603.96	119,039.45	897,213.87
Rentals and Leases (Note 8)	2,993,221.03	68,486.73	258,565.03
Printing and Reproduction	62,082.59	1,078.24	4,211.66
Claims and Judgments (Note 17)	4,777.00		
Federal Grant Pass-Through Expenditures (Sch. 1-A)	2,797,634.43		
State Grant Pass-Through Expenditures (Sch. 1-B)	101,533.09		
Intergovernmental Payments	204,586,399.65		
Public Assistance Payments	223,074,563.39		
Other Expenditures	15,212,516.82	3,613,401.30	(5,198,446.61)
Capital Outlay	1,595,149.65	2,935,727.93	53,975.55
Depreciation Expense			
TOTAL EXPENDITURES/EXPENSES	925,282,922.45	9,479,060.82	71,716,176.69
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES	(84,573,447.57)	(1,704,121.57)	(790,579,527.46)

UNAUDITED

GOVERNMENTAL FUNDS TOTALS				STATEMENT OF ACTIVITIES TOTALS	
GOVERNMENT-WIDE FINANCIAL STATEMENT (GWFS)					
(Memorandum Only)	CAPITAL ASSETS	ADJUSTMENTS LONG-TERM LIABILITIES	OTHER	(Memorandum Only)	
2020				2020	2019
\$	\$	\$	\$	\$	\$
3,556,222.00				3,556,222.00	892,117.00
835,178.38				835,178.38	2,948,748.10
811,029,295.21				811,029,295.21	297,372,903.41
16,644,093.35				16,644,093.35	42,013,465.84
84,994.66				84,994.66	0.00
2,906,966.33				2,906,966.33	9,257,410.16
98,920,019.73				98,920,019.73	195,146,477.13
2,766,216.32				2,766,216.32	1,385,535.84
(1,670,962,923.86)				(1,670,962,923.86)	1,000,712,544.33
797,965,083.41				797,965,083.41	1,075,240,119.65
58,484,346.32				58,484,346.32	63,158,546.66
7,391,571.51				7,391,571.51	4,311,501.90
<u>129,621,063.36</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>129,621,063.36</u>	<u>2,692,439,370.02</u>
54,495,617.96		1,030,177.98		55,525,795.94	51,318,091.07
17,419,167.60				17,419,167.60	16,671,716.79
424,788,053.49				424,788,053.49	118,360,558.92
437,058.07				437,058.07	929,464.07
53,393,663.34				53,393,663.34	60,339,615.97
1,779,864.74				1,779,864.74	1,656,573.43
1,999,857.28				1,999,857.28	1,817,274.73
3,320,272.79				3,320,272.79	2,855,185.36
67,372.49				67,372.49	161,383.79
4,777.00				4,777.00	6,243.07
2,797,634.43				2,797,634.43	3,588,126.88
101,533.09				101,533.09	92,373.74
204,586,399.65				204,586,399.65	123,459,912.51
223,074,563.39				223,074,563.39	31,270,516.49
13,627,471.51				13,627,471.51	15,115,687.18
4,584,853.13	(4,584,853.13)			0.00	0.00
0.00	4,043,135.37			4,043,135.37	4,150,807.90
<u>1,006,478,159.96</u>	<u>(541,717.76)</u>	<u>1,030,177.98</u>	<u>0.00</u>	<u>1,006,966,620.18</u>	<u>431,793,531.90</u>
<u>(876,857,096.60)</u>	<u>541,717.76</u>	<u>(1,030,177.98)</u>	<u>0.00</u>	<u>(877,345,556.82)</u>	<u>2,260,645,838.12</u>

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UNAUDITED
Texas General Land Office and Veterans' Land Board

EXHIBIT II (concluded)

COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS

For the Year Ended August 31, 2020

(With comparative memorandum totals for the year ended August 31, 2019)

	GOVERNMENTAL FUND TYPES		
	GENERAL	SPECIAL	PERMANENT
	REVENUE	REVENUE	FUNDS
	FUNDS	FUNDS	FUNDS
	(EXH. A-2)	(EXH. B-2)	(EXH. C-2)
OTHER FINANCING SOURCES (USES)	\$	\$	\$
Transfers In	286,671,186.12	9,380,828.07	215,045,000.00
Transfers Out	(198,964,599.18)	(3,889,912.19)	(4,855,065,000.00)
Insurance Recoveries			
Sale of Capital Assets	36,713.85		59.38
Gain (Loss) on Sale of Capital Assets			
Increase (Decrease) in Net Assets - Due to Interagency Transfer of Capital Assets			
Capital Contributions			
Appropriations Lapsed	(1,861,050.54)		
TOTAL OTHER FINANCING SOURCES (USES)	85,882,250.25	5,490,915.88	(4,640,019,940.62)
NET CHANGE IN FUND BALANCES/NET POSITION	1,308,802.68	3,786,794.31	(5,430,599,468.08)
FUND FINANCIAL STATEMENT - FUND BALANCES			
FUND BALANCES - August 31, 2019	100,592,803.67	902,112.25	12,281,773,157.34
Restatements (Note 14)			
FUND BALANCES - August 31, 2019, as restated	100,592,803.67	902,112.25	12,281,773,157.34
FUND BALANCES - August 31, 2020 (Exhibit I)	101,901,606.35	4,688,906.56	6,851,173,689.26

GOVERNMENT-WIDE STATEMENT OF NET POSITION

NET POSITION/NET CHANGE IN NET POSITION

NET POSITION - August 31, 2019

Restatements (Note 14)

NET POSITION - August 31, 2019, as restated

NET POSITION - August 31, 2020 (Exhibit I)

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

UNAUDITED

GOVERNMENTAL FUNDS TOTALS				GOVERNMENT-WIDE FINANCIAL STATEMENT (GWFS) ADJUSTMENTS				STATEMENT OF ACTIVITIES TOTALS	
(Memorandum Only)								(Memorandum Only)	
2020	CAPITAL ASSETS	LONG-TERM LIABILITIES	OTHER	2020				2020	2019
\$	\$	\$	\$	\$				\$	\$
511,097,014.19				511,097,014.19				511,097,014.19	53,737,244.86
(5,057,919,511.37)				(5,057,919,511.37)				(5,057,919,511.37)	(630,762,432.01)
0.00				0.00				0.00	5,924.03
36,773.23	(40,835.01)			(4,061.78)				(4,061.78)	(1,872.17)
0.00	40,835.01			40,835.01				40,835.01	(10,504.10)
0.00	(3,314.00)			(3,314.00)				(3,314.00)	0.00
0.00				0.00				0.00	10,000.00
(1,861,050.54)				(1,861,050.54)				(1,861,050.54)	(3,156,461.44)
<u>(4,548,646,774.49)</u>	<u>(3,314.00)</u>	<u>0.00</u>	<u>0.00</u>	<u>(4,548,650,088.49)</u>				<u>(4,548,650,088.49)</u>	<u>(580,178,100.83)</u>
<u>(5,425,503,871.09)</u>				<u>(5,425,995,645.31)</u>				<u>(5,425,995,645.31)</u>	<u>1,680,467,737.29</u>
12,383,268,073.26				12,383,268,073.26				12,383,268,073.26	10,265,036,546.60
0.00				0.00				0.00	437,771,773.06
<u>12,383,268,073.26</u>				<u>12,383,268,073.26</u>				<u>12,383,268,073.26</u>	<u>10,702,808,319.66</u>
<u>6,957,764,202.17</u>				<u>6,957,272,427.95</u>				<u>6,957,272,427.95</u>	<u>12,383,276,056.95</u>
(5,425,503,871.09)	538,403.76	(1,030,177.98)	0.00	(5,425,995,645.31)				(5,425,995,645.31)	1,680,467,737.29
12,383,268,073.26	62,999,331.67	(6,418,849.35)	0.00	12,439,848,555.58				12,439,848,555.58	10,321,562,091.15
0.00	0.00			0.00				0.00	437,811,125.88
<u>12,383,268,073.26</u>	<u>62,999,331.67</u>	<u>(6,418,849.35)</u>	<u>0.00</u>	<u>12,439,848,555.58</u>				<u>12,439,848,555.58</u>	<u>10,759,373,217.03</u>
<u>6,957,764,202.17</u>	<u>63,537,735.43</u>	<u>(7,449,027.33)</u>	<u>0.00</u>	<u>7,013,852,910.27</u>				<u>7,013,852,910.27</u>	<u>12,439,840,954.32</u>

UNAUDITED
Texas General Land Office and Veterans' Land Board

EXHIBIT III

COMBINED STATEMENT OF NET POSITION

PROPRIETARY FUNDS

August 31, 2020

(With comparative memorandum totals for August 31, 2019)

	VETERANS' HOUSING ASSISTANCE PROGRAM (EXH. D-1a)	VETERANS' LAND PROGRAM (EXH. D-1b)	VETERANS FINANCIAL ASSISTANCE PROGRAM FUND 0374 (EXH. D-1c)
ASSETS	\$	\$	\$
Current Assets:			
Cash and Cash Equivalents (Note 3):			
Cash on Hand		200.00	
Cash in State Treasury	160,060,544.02	5,801,636.08	32,159,034.15
Cash Equivalents	342,076,017.04	27,406,279.55	1,912,471.81
Securities Lending Collateral (Note 3)	74,119,175.00	12,016,835.00	5,100,000.00
Derivative Instruments			
Investments - Securities at Market Value (Note 3)	516,471,332.65	34,989,709.50	23,955,915.72
Loans and Contracts Receivables:			
Land Contracts		4,070,909.89	
Mortgages	55,328,640.48	4,455,404.09	
Home Improvement Loans	1,953,051.26		
Receivables:			
Federal			17,799,221.13
Interest and Dividends Receivables:			
Investment Interest	1,093,280.63	627,332.13	50,198.66
Land Contracts		365,583.09	
Mortgages	25,745,742.03	1,768,448.46	
Home Improvement Loans	277,107.16		
Accounts Receivable (Net of Allowance for Uncollectibles)	7,628.28	864,015.62	2,230,247.80 (724,490.65)
Due from Other Funds	7,030,764.83	8,372,466.01	4,183,329.34
Prepaid Items			4,361.47
Total Current Assets	1,184,163,283.38	100,738,819.42	86,670,289.43
Non-Current Assets:			
Investments:			
Securities at Market Value (Note 3)	150,188,182.44	141,608,533.60	
Derivative Instruments (Note 3)		(97,237.00)	
Loans and Contracts Receivables:			
Land Contracts		33,887,378.73	
Mortgages	1,785,003,552.20	284,342,675.33	
Home Improvement Loans	35,324,597.73		
Property Acquired Through Foreclosure (Note 33):			
Land Contracts		245,000.98	
Mortgages	269,289.13		
Capital Assets (Note 2):			
Depreciable Capital Assets:			
Furniture and Equipment		121,421.57	972,335.24
Less Accumulated Depreciation		(107,764.09)	(672,921.82)
Buildings			166,227,338.14
Less Accumulated Depreciation			(75,178,725.42)
Facilities and Other Improvements			22,963.00
Less Accumulated Depreciation			(10,141.02)

UNAUDITED

DISCRETELY PRESENTED COMPONENT UNIT FUND 9999 U/F (5002)	PROPRIETARY FUNDS	
	TOTALS	
	(Memorandum Only)	
	2020	2019
\$	\$	\$
	200.00	200.00
	198,021,214.25	67,230,849.90
	371,394,768.40	175,370,527.82
	91,236,010.00	29,282,677.50
	575,416,957.87	107,899,357.94
	4,070,909.89	4,751,721.37
	59,784,044.57	74,189,158.46
	1,953,051.26	1,984,958.21
	17,799,221.13	12,618,623.92
	1,770,811.42	891,550.41
	365,583.09	757,363.80
	27,514,190.49	11,488,611.08
	277,107.16	156,550.73
	2,230,247.80	2,357,695.32
	147,153.25	(26,712.31)
	19,586,560.18	25,265,590.28
	4,361.47	153,705.31
<u>0.00</u>	<u>1,371,572,392.23</u>	<u>514,372,429.74</u>
	291,796,716.04	308,479,846.31
	(97,237.00)	(97,237.00)
	33,887,378.73	42,624,406.55
	2,069,346,227.53	2,824,813,778.85
	35,324,597.73	37,009,655.83
	245,000.98	734,829.30
	269,289.13	53,872.06
	1,093,756.81	1,020,213.56
	(780,685.91)	(682,675.22)
	166,227,338.14	165,834,938.66
	(75,178,725.42)	(67,459,080.27)
	22,963.00	22,963.00
	(10,141.02)	(8,992.98)

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UNAUDITED
Texas General Land Office and Veterans' Land Board

EXHIBIT III (concluded)

COMBINED STATEMENT OF NET POSITION

PROPRIETARY FUNDS

August 31, 2020

(With comparative memorandum totals for August 31, 2019)

	VETERANS' HOUSING ASSISTANCE PROGRAM (EXH. D-1a)	VETERANS' LAND PROGRAM (EXH. D-1b)	VETERANS FINANCIAL ASSISTANCE PROGRAM FUND 0374 (EXH. D-1c)
	\$	\$	\$
ASSETS (continued)			
Non-Depreciable Capital Assets:			
Construction in Progress			1,985,526.98
Land			5,839,500.00
Amortizable Intangible Assets:			
Computer Software		162,578.15	136,115.00
Less Accumulated Amortization		(162,578.15)	(136,115.00)
Total Noncurrent Assets	1,970,785,621.50	460,000,009.12	99,185,875.10
TOTAL ASSETS	3,154,948,904.88	560,738,828.54	185,856,164.53
DEFERRED OUTFLOW OF RESOURCES			
Hedging Derivative Instruments	323,089,250.81	22,602,152.47	
TOTAL DEFERRED OUTFLOW OF RESOURCES	323,089,250.81	22,602,152.47	0.00
LIABILITIES			
Current Liabilities:			
Accounts Payable (Note 1)	4,020,119.07	990,680.86	16,741,778.46
Debt Service Interest Payable	2,456,065.22	168,843.51	
Retainage Payable			
Due to Other Funds	6,660,690.28	7,242,894.70	4,168,159.55
Unearned Revenues	144,226.90	166,036.38	11,411,601.53
Bonds Payable (Net of Unamortized Discounts and Premiums) (Note 5)			
General Obligation	194,550,000.00	22,140,000.00	
Obligations Under Securities Lending (Note 3)	74,119,175.00	12,016,835.00	5,100,000.00
Total Current Liabilities	281,950,276.47	42,725,290.45	37,421,539.54
Noncurrent Liabilities:			
Bonds Payable (Net of Unamortized Discounts and Premiums) (Note 5)			
General Obligation	2,605,955,000.00	122,820,000.00	
Hedging Derivative Instruments	323,089,250.810	22,602,152.470	
Total Noncurrent Liabilities	2,929,044,250.81	145,422,152.47	0.00
TOTAL LIABILITIES	3,210,994,527.28	188,147,442.92	37,421,539.54
DEFERRED INFLOW OF RESOURCES			
Hedging Derivative Instruments			
TOTAL DEFERRED INFLOW OF RESOURCES	0.00	0.00	0.00
NET POSITION			
Invested in Capital Assets, Net of Related Debt		13,657.48	99,185,875.10
Restricted for the Veterans' Land Board	267,043,628.41	395,179,880.610	49,248,749.89
Restricted for Other			
TOTAL NET POSITION (Exhibit IV)	267,043,628.41	395,193,538.09	148,434,624.99

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

UNAUDITED

DISCRETELY PRESENTED COMPONENT UNIT FUND 9999 U/F (5002)	PROPRIETARY FUNDS	
	TOTALS	
	(Memorandum Only)	
	2020	2019
\$	\$	\$
	1,985,526.98	903,976.67
	5,839,500.00	4,039,500.00
	298,693.15	298,693.15
	(298,693.15)	(298,693.15)
0.00	2,529,971,505.72	3,317,289,995.32
0.00	3,901,543,897.95	3,831,662,425.06
	345,691,403.28	275,886,383.00
0.00	345,691,403.28	275,886,383.00
	21,752,578.39	15,444,442.75
	2,624,908.73	481,914.62
	0.00	38,675.00
	18,071,744.53	22,999,778.05
	11,721,864.81	79,890.16
	216,690,000.00	207,031,171.92
	91,236,010.00	29,282,677.50
0.00	362,097,106.46	275,358,550.00
	2,728,775,000.00	2,746,468,652.58
	345,691,403.28	275,886,383.00
0.00	3,074,466,403.28	3,022,355,035.58
0.00	3,436,563,509.74	3,297,713,585.58
	0.00	0.00
0.00	0.00	0.00
	99,199,532.58	103,670,843.42
	711,472,258.91	706,164,379.06
	0.00	0.00
0.00	810,671,791.49	809,835,222.48

UNAUDITED
Texas General Land Office and Veterans' Land Board

EXHIBIT IV

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

For the Year Ended August 31, 2020

(With comparative memorandum totals for the year ended August 31, 2019)

	VETERANS' HOUSING ASSISTANCE PROGRAM (EXH. D-2a)	VETERANS' LAND PROGRAM (EXH. D-2b)	VETERANS FINANCIAL ASSISTANCE PROGRAM FUND 0374 (EXH. D-2c)
	\$	\$	\$
OPERATING REVENUES			
Other Sale of Goods and Services:			
Payment from Residents			
Resident Payments (Net of Provisions for Bad Debt)			13,816,365.51
Medicare Reimbursements			
Medicare Reimbursements (Net of Provisions for Bad Debt)			6,712,439.33
Medicaid Revenues			
Medicaid Revenues (Net of Provisions for Bad Debt)			5,505,841.37
Other Assistance Payments			
Other Assistance Payments (Net of Provisions for Bad Debt)			301,801.25
Interest & Investment Income:			
Loan Programs	71,348,849.67	26,195,591.26	
Operating Federal Revenues - VA Per Diem			72,392,447.80
Other Revenues:			
Third Party Reimbursements			7,184.27
Miscellaneous Income	9,573.52	738,661.49	11,737.40
TOTAL OPERATING REVENUES	71,358,423.19	26,934,252.75	98,747,816.93
OPERATING EXPENSES			
Professional Fees and Services	1,550,616.38	1,427,034.97	87,415,141.60
Travel			57,958.02
Materials and Supplies	212.07	88,364.00	4,303,308.05
Communications and Utilities			24,681.71
Repairs and Maintenance		446,338.00	1,616,454.25
Rentals and Leases (Note 8)			300.00
Printing and Reproduction	600.00		
Depreciation and Amortization		2,777.76	7,816,026.12
Interest Expense			2,769.00
Debt Service Interest	65,928,994.68	7,686,526.54	
Other Operating Expenses	6,840,062.84	337,412.44	4,482.26
TOTAL OPERATING EXPENSES	74,320,485.97	9,988,453.71	101,241,121.01
OPERATING INCOME (LOSS) (Exhibit V)	(2,962,062.78)	16,945,799.04	(2,493,304.08)

UNAUDITED

DISCRETELY PRESENTED COMPONENT UNIT FUND 9999 U/F (5002)	PROPRIETARY FUNDS TOTALS (Memorandum Only)	
	2020	2019
	\$	\$
	13,816,365.51	17,822,934.22
	6,712,439.33	6,940,718.63
	5,505,841.37	6,271,860.43
	301,801.25	341,189.66
	97,544,440.93	103,796,294.07
	72,392,447.80	70,498,828.91
	7,184.27	19,869.00
	759,972.41	578,705.84
<u>0.00</u>	<u>197,040,492.87</u>	<u>206,270,400.76</u>
	90,392,792.95	86,155,557.91
	57,958.02	133,743.58
	4,391,884.12	5,689,360.49
	24,681.71	30,636.61
	2,062,792.25	3,595,357.21
	300.00	435.00
	600.00	4,815.39
	7,818,803.88	6,536,661.52
	2,769.00	3,207.10
	73,615,521.22	83,702,243.74
	7,181,957.54	8,609,909.81
<u>0.00</u>	<u>185,550,060.69</u>	<u>194,461,928.36</u>
<u>0.00</u>	<u>11,490,432.18</u>	<u>11,808,472.40</u>

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UNAUDITED
Texas General Land Office and Veterans' Land Board

EXHIBIT IV (concluded)

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

For the Year Ended August 31, 2020

(With comparative memorandum totals for the year ended August 31, 2019)

	VETERANS' HOUSING ASSISTANCE PROGRAM (EXH. D-2a)	VETERANS' LAND PROGRAM (EXH. D-2b)	VETERANS FINANCIAL ASSISTANCE PROGRAM FUND 0374 (EXH. D-2c)
	\$	\$	\$
NONOPERATING REVENUES (EXPENSES)			
Federal Revenues			1,933,925.35
Gifts/Pledges/Donations			86,331.21
Investment Income	8,247,642.31	4,020,049.17	865,434.69
Net Increase (Decrease) in Fair Value of Investments	12,097,380.15	831.48	(36,008.30)
Gain (Loss) on Land Loans, Housing Mortgage and Home Improvement Loans	(5,663,800.63)	2,709,268.71	
Claims and Judgments (Note 17)			(3,200.00)
Other Nonoperating Revenues	148,091.08		
Borrower Rebate/Agent Fees - Securities Lending	351,274.08	421,893.50	(1,907.63)
Capital Contributions			1,800,000.00
Gain/(Loss) on Sale of Capital Asset			
TOTAL NONOPERATING REVENUES (EXPENSES)	15,180,586.99	7,152,042.86	4,644,575.32
INCOME (LOSS) BEFORE OTHER REVENUES, (EXPENSES), GAINS/(LOSSES), AND TRANSFERS	12,218,524.21	24,097,841.90	2,151,271.24
OTHER REVENUES, (EXPENSES), GAINS/(LOSSES), AND TRANSFERS			
Capital Contributions			(0.00)
Other Revenues	(806,929.58)		
Transfers In	161,583,330.84	3,177,730.98	10,034,087.56
Transfers Out	(182,215,439.18)	(15,999,979.84)	(13,062,497.22)
TOTAL OTHER REVENUES, (EXPENSES), GAINS/(LOSSES), AND TRANSFERS	(21,439,037.92)	(12,822,248.86)	(3,028,409.66)
CHANGE IN NET POSITION	(9,220,513.71)	11,275,593.04	(877,138.42)
NET POSITION - August 31, 2019	276,264,142.12	384,259,316.95	149,311,763.41
Restatements (Note 14)		(341,371.90)	
NET POSITION - August 31, 2019, as Restated	276,264,142.12	383,917,945.05	149,311,763.41
NET POSITION - August 31, 2020 (Exhibit III)	267,043,628.41	395,193,538.09	148,434,624.99

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

UNAUDITED

DISCRETELY PRESENTED COMPONENT UNIT FUND 9999 U/F (5002)	PROPRIETARY FUNDS TOTALS	
	(Memorandum Only)	
	2020	2019
\$	\$	\$
	1,933,925.35	10,789,131.78
	86,331.21	30,617.67
	13,133,126.17	11,785,622.13
	12,062,203.33	25,556,780.93
	(2,954,531.92)	3,221,936.64
	(3,200.00)	0.00
	148,091.08	0.00
	771,259.95	(50,409.94)
	1,800,000.00	0.00
	0.00	(9,358.78)
0.00	26,977,205.17	51,324,320.43
0.00	38,467,637.35	63,132,792.83
	0.00	0.00
	(806,929.58)	0.00
	174,795,149.38	276,751,291.77
	(211,277,916.24)	(302,993,914.41)
0.00	(37,289,696.44)	(26,242,622.64)
0.00	1,177,940.91	36,890,170.19
0.00	809,835,222.48	772,733,283.12
	(341,371.90)	211,769.17
0.00	809,493,850.58	772,945,052.29
0.00	810,671,791.49	809,835,222.48

UNAUDITED
Texas General Land Office and Veterans' Land Board

EXHIBIT V

**COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Year Ended August 31, 2020

(With comparative memorandum totals for the year ended August 31, 2019)

	VETERANS' HOUSING ASSISTANCE PROGRAM (EXH. D-3a)	VETERANS' LAND PROGRAM (EXH. D-3b)	VETERANS FINANCIAL ASSISTANCE PROGRAM FUND 0374 (EXH. D-3c)
	\$	\$	\$
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (Note 1)			
OPERATING ACTIVITIES			
Receipts from Vet Homes Residents			19,816,477.78
Receipts from Veterans Administration			67,388,259.25
Receipts from Medicare			8,797,565.01
Receipts from Medicaid			5,502,368.40
Receipts from Gifts/Pledges/Donations			88,089.66
Receipts from Loan Payments	1,281,378,037.54	86,536,808.95	
Other Operating Cash Receipts	158,791.38	295,459.37	5,501,485.89
Loan Fundings	(434,338,938.13)	(74,840,486.49)	
Payments to Suppliers of Goods and Services	(9,393,354.82)	(2,442,863.18)	(88,390,525.01)
Payments for Other Expenses	(217.01)	(124.79)	(96,472.97)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	837,804,318.96	9,548,793.86	18,607,248.01
NONCAPITAL FINANCING ACTIVITIES			
Proceeds from Debt Issuance	250,000,000.00		
Proceeds from Other Financing Activities	1,596,564.46	124,192.76	379,596.91
Payments for Debt Service - Principal	(233,985,000.00)	(20,730,000.00)	
Payments for Debt Service - Interest	(67,033,501.36)	(7,539,427.96)	
Transfers from Other Funds	166,413,330.84	4,434,073.08	8,601,736.42
Transfers to Other Funds	(186,195,439.18)	(16,239,893.33)	(11,636,546.08)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(69,204,045.24)	(39,951,055.45)	(2,655,212.75)
CAPITAL AND RELATED FINANCING ACTIVITIES			
Receipts from Veterans Administration			1,765,735.73
Receipts from Gifts/Pledges/Donations			
Payments for Additions to Capital Assets			(2,121,531.04)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	0.00	0.00	(355,795.31)
INVESTING ACTIVITIES			
Proceeds from Interest and Investment Income	23,895,342.03	4,847,571.67	433,731.49
Proceeds from Sale of Investments	364,852,203.77	83,903,040.56	41,852,088.89
Payments to Acquire Investments	(834,232,677.85)	(61,356,609.74)	(46,846,188.47)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(445,485,132.05)	27,394,002.49	(4,560,368.09)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	323,115,141.67	(3,008,259.10)	11,035,871.86
CASH AND CASH EQUIVALENTS - August 31, 2019	179,021,419.39	36,216,374.73	23,035,634.10
CASH AND CASH EQUIVALENTS - August 31, 2020	502,136,561.06	33,208,115.63	34,071,505.96

PROPRIETARY FUNDS TOTALS (Memorandum Only)	
2020	2019
\$	\$
19,816,477.78	14,337,815.29
67,388,259.25	72,299,043.27
8,797,565.01	6,926,489.63
5,502,368.40	6,303,259.68
88,089.66	25,897.67
1,367,914,846.49	601,470,187.73
5,955,736.64	770,926.62
(509,179,424.62)	(852,943,342.59)
(100,226,743.01)	(102,838,587.39)
(96,814.77)	(137,296.49)
<u>865,960,360.83</u>	<u>(253,785,606.58)</u>
250,000,000.00	250,000,000.00
2,100,354.13	4,910,711.80
(254,715,000.00)	(257,155,000.00)
(74,572,929.32)	(87,132,055.94)
179,449,140.34	260,281,812.27
(214,071,878.59)	(288,567,353.82)
<u>(111,810,313.44)</u>	<u>(117,661,885.69)</u>
1,765,735.73	19,300,391.94
0.00	4,720.00
(2,121,531.04)	(19,163,015.16)
<u>(355,795.31)</u>	<u>142,096.78</u>
29,176,645.19	(16,258,992.47)
490,607,333.22	543,124,244.03
(942,435,476.06)	(521,137,526.43)
<u>(422,651,497.65)</u>	<u>5,727,725.13</u>
331,142,754.43	(365,577,670.36)
238,273,428.22	608,179,248.08
<u>569,416,182.65</u>	<u>242,601,577.72</u>

-to next page

UNAUDITED
Texas General Land Office and Veterans' Land Board

EXHIBIT V (concluded)

COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended August 31, 2020

(With comparative memorandum totals for the year ended August 31, 2019)

	VETERANS' HOUSING ASSISTANCE PROGRAM (EXH. D-3a)	VETERANS' LAND PROGRAM (EXH. D-3b)	VETERANS FINANCIAL ASSISTANCE PROGRAM FUND 0374 (EXH. D-3c)
	\$	\$	\$
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
OPERATING INCOME (LOSS) (Exhibit IV)	(2,962,062.78)	16,945,799.04	(2,493,304.08)
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Depreciation and Amortization		2,777.76	7,816,026.12
Classification Differences	60,187,793.48	3,109,933.92	91,289.66
(Increase) Decrease in Receivables	(14,592,458.22)	(1,544,804.54)	(4,731,602.34)
(Increase) Decrease in Loans and Contracts	793,789,346.45	(9,171,626.09)	
(Increase) Decrease in Prepaid Items	153,705.31		(4,361.47)
(Increase) Decrease in Other Assets	757,349.47	421,936.91	(1,894,210.85)
Increase (Decrease) in Payables	1,430,576.13	(136,338.73)	6,529,128.48
Increase (Decrease) in Other Liabilities	(959,930.88)	(78,884.41)	13,294,282.49
TOTAL ADJUSTMENTS	840,766,381.74	(7,397,005.18)	21,100,552.09
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	837,804,318.96	9,548,793.86	18,607,248.01
NONCASH TRANSACTIONS			
Change in Fair Value of Investments	11,005,439.70		(36,008.30)
TOTAL NONCASH TRANSACTIONS	11,005,439.70	0.00	(36,008.30)

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

UNAUDITED

PROPRIETARY FUNDS	
TOTALS	
(Memorandum Only)	
2020	2019
\$	\$
11,490,432.18	11,825,266.40
7,818,803.88	6,536,661.52
63,389,017.06	83,824,020.98
(20,868,865.10)	(1,544,415.23)
784,617,720.36	(387,553,742.18)
149,343.84	25,151,469.42
(714,924.47)	(1,564,160.52)
7,823,365.88	757,622.49
12,255,467.20	8,781,670.54
<u>854,469,928.65</u>	<u>(265,610,872.98)</u>
<u>865,960,360.83</u>	<u>(253,785,606.58)</u>
<u>10,969,431.40</u>	<u>21,414,160.50</u>
<u>10,969,431.40</u>	<u>21,414,160.50</u>

UNAUDITED
Texas General Land Office and Veterans' Land Board

EXHIBIT VI

COMBINED STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

August 31, 2020

(With comparative memorandum totals for August 31, 2019)

	FIDUCIARY FUNDS		
	AGENCY FUNDS (EXH. E-1)	TOTALS	
		2020	2019
	\$	\$	\$
ASSETS			
Current Assets:			
Cash and Cash Equivalents:			
Cash in State Treasury	33,688.93	33,688.93	38,242.70
Receivables:			
Interest and Dividends	0.00	0.00	0.00
Total Current Assets	<u>90,429.66</u>	<u>90,429.66</u>	<u>38,242.70</u>
TOTAL ASSETS	<u><u>90,429.66</u></u>	<u><u>90,429.66</u></u>	<u><u>38,242.70</u></u>
LIABILITIES			
Current Liabilities:			
Funds Held for Others	90,426.54	90,426.54	38,242.70
Total Current Liabilities	<u>90,429.66</u>	<u>90,429.66</u>	<u>38,242.70</u>
TOTAL LIABILITIES	<u><u>90,429.66</u></u>	<u><u>90,429.66</u></u>	<u><u>38,242.70</u></u>
NET POSITION			
Funds Held in Trust for:			
Individuals, Organizations, and Other Governments	0.00	0.00	0.00
TOTAL NET POSITION	<u><u>0.00</u></u>	<u><u>0.00</u></u>	<u><u>0.00</u></u>

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

TEXAS GENERAL LAND OFFICE
VETERANS LAND BOARD

NOTES TO THE FINANCIAL STATEMENTS

UNAUDITED ANNUAL FINANCIAL REPORT
AUGUST 31, 2020



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Note 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ENTITY

The Texas General Land Office (GLO) and Veterans Land Board (VLB) are agencies of the state of Texas. Their financial records comply with state statutes and regulations. This includes compliance with the Texas Comptroller of Public Accounts' *Reporting Requirements for Annual Financial Reports of State Agencies and Universities*.

The Tex. Const. Art. XIV, §1 created the Texas General Land Office, which is responsible for managing most state-owned lands and minerals. The Veterans Land Board was created in 1946 by Tex. Const. Art. III, §49-b to provide loans to veterans for the purchase of land in the state of Texas. In 1983, §49-b was amended to allow VLB to provide loans to veterans buying homes in Texas. In 1997, Tex. Nat. Res. Code Ann., §164 was amended to allow VLB to construct and operate veterans nursing homes. In 2001, Tex. Nat. Res. Code Ann., §164 was again amended to provide for the Texas State Veterans Cemetery Program. Tex. Nat. Res. Code Ann., chs. 11, 31, 32, 33, 40, 51, 52, 53, and 61 establish the administrative provisions, powers, and duties of GLO and the Land Commissioner.

BASIS OF PRESENTATION

Due to statewide requirements embedded in Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, the Texas Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all the requirements in this statement. The financial report will be considered for audit by the state auditor as part of the audit of the *State of Texas Comprehensive Annual Financial Report*; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

FUND STRUCTURE

The accounts of GLO and VLB are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a complete set of self-balancing accounts that comprise its assets, liabilities, fund balance or net position, revenues, and expenditures or expenses.

GOVERNMENTAL FUND TYPES & GOVERNMENT-WIDE ADJUSTMENT FUND TYPES

General and administrative operations of GLO and VLB are financed from general revenue, special revenue, and permanent funds. General revenue funds serve as the general operating funds of the agency. Special revenue funds are used to account for the proceeds of specific revenue sources (other than private-purpose trusts or for major capital projects) that are legally restricted to expenditures for specified purposes. Permanent funds are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the state's program.

Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance comprising the general revenue, special revenue, and permanent funds in the aggregate are presented in Exhibit I. Revenues, expenditures, and changes in fund balance and net position for the general revenue, special revenue, and permanent funds in the aggregate are presented in Exhibit II.

General Fund (GAAP Fund Type 01)

The General Revenue Fund (Fund 0001) is the principle operating fund used to account for all financial resources of the state except those required to be accounted for in another fund.

Coastal Protection Fund (GAAP Fund Type 01)

The coastal protection fund (Fund 0027) provides readily available monies for response cleanup and payment of damages from unauthorized discharges of oil and other substances.

Coastal Public Lands Management Fund (GAAP Fund Type 01)

The coastal public lands management fee fund (Fund 0450) receives monies for the grant of surface interest for the management of surface estate in coastal public lands.

Veterans' Land Program Administration Fund (GAAP Fund Type 01)

The Veterans' Land Program Administration fund (Fund 0522) pays administrative costs associated with VLB programs, including expenses of bond issue, investments, land purchases and resale, and the Veterans' Homes programs.

Capital Trust Fund (GAAP Fund Type 01)

The capital trust fund (Fund 0543) is used to finance the acquisition, construction, repair, improvement, or equipping of a building by a state agency, the acquisition of real or personal property for a state agency or, any other purpose for which funds may be appropriated from general revenue.

Specialty License Plate Trust Fund (GAAP Fund Type 01)

The specialty license plate general fund (Fund 0802) collects revenues from the sale of the specialty license plates.

- For every Adopt-A-Beach plate sold, the Adopt-A-Beach program will receive \$22.00 from the \$30.00 fee to aid in the volunteer effort to clean up Texas beaches.
- For every San Jacinto Texas Historic District plate sold, the San Jacinto Texas Historic District will receive \$22.00 from the \$30.00 fee to aid in the effort to revitalize the historical significance of the region.
- For every Buffalo Soldiers plate sold, the Buffalo Soldiers National Museum in Houston will receive \$22.00 from the \$30.00 fee to benefit and support the museum.
- For every Daughters of the American Revolution plate sold, the Texas Society of Daughters of the American Revolution will receive \$22.00 from the \$30.00 fee to support historic preservation, education and scholarships.
- For every Childhood Cancer Awareness plate sold, the General Land Office will receive \$22.00 from the \$30.00 fee to provide grants to benefit organizations operating in the state that raise awareness of, conduct research on, or provide services for persons diagnosed with childhood cancer. GLO currently has a contract with the Snowdrop Foundation to receive such grants.
- For every Alamo plate sold, the General Land Office will receive \$22.00 from the \$30.00 fee to preserve the Alamo and provide education.

Alamo Complex Fund (GAAP Fund Type 01)

The Alamo complex fund (Fund 5152) consists of transfers, fees, and other revenue from the operation of the Alamo complex, grants, donations, and other income earned from the operation of the Alamo complex. Funds are used for the preservation, repair, renovation, improvement, expansion, or equipment of the Alamo complex or to acquire historical items.

Economic Stabilization Fund (GAAP Fund Type 01)

The Economic Stabilization Fund (ESF) (Fund 0599) consists of appropriation during the 85th Legislative Regular Session for the Alamo Master Plan and appropriation during the 86th Legislative Regular Session for Hurricane Harvey recovery efforts.

Veterans' Financial Assistance Program Fund (GAAP Fund Type 02)

The Veterans' Financial Assistance Program fund (Fund 0374) receives proceeds from gifts, grants, and other authorized sources to fund the State Veterans Cemetery Program.

County Road Oil and Gas Trust Fund (GAAP Fund Type 02)

The county road oil and gas trust fund (Fund 0808) consists of money received from the leasing of oil and gas under lands owned by the state that were or may be acquired by a county to

construct a county road. Money is to be disbursed twice a year to the appropriate county for road maintenance purposes.

Permanent School Fund (GAAP Fund Type 19)

The permanent school fund (Fund 0044) consists of all land and all revenues derived from the land or other properties appropriated for the support of public free schools.

Capital Asset Adjustment Fund (GAAP Fund Type 11)

The capital asset adjustment fund (Fund 9998) is used to convert governmental fund capital assets from modified accrual to full accrual basis of accounting.

Long-Term Liability Adjustment Fund (GAAP Fund Type 12)

The long-term liability adjustment fund (Fund 9997) is used to convert governmental fund liabilities from modified accrual to full accrual basis of accounting.

Other Adjustment Fund (GAAP Fund Type 21)

The other adjustment fund (Fund 9996) is used to convert all other governmental fund activity from modified accrual to full accrual basis of accounting.

PROPRIETARY FUND TYPES

Assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position comprising the proprietary funds in aggregate are presented in Exhibit III. Revenues, expenses, and changes in net position comprising the proprietary funds in aggregate are presented in Exhibit IV. A combined statement of cash flows comprising the proprietary funds in aggregate is presented in Exhibit V.

Enterprise funds are used to account for any activity when a fee is charged to external users for goods and services. Activities must be reported in enterprise funds if any one of the following criteria is met:

1. The activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity.
2. Laws or regulations require that the activity's costs of providing services, including capital costs (such as depreciation or debt service) be recovered with fees and charges.
3. The pricing policies of the activity establish fees and charges designed to recover its costs including capital costs.

Veterans' Land Program Fund (GAAP Fund Type 05)

The Veterans' Land Program funds (Funds 0385, 0571, and 0626) receive proceeds from the sale of general obligation bonds to fund land mortgages for Texas veterans.

Veterans' Housing Assistance Program Fund (GAAP Fund Type 05)

The Veterans' Housing Assistance Program funds (Funds 0383, 0384, 0529 and 0590) receive proceeds from the sale of general obligation bonds to fund housing mortgages and home improvement loans for Texas veterans.

Veterans' Financial Assistance Program Fund (GAAP Fund Type 05)

The Veterans' Financial Assistance Program fund (Fund 0374) receives proceeds from the sale of bonds, gifts, grants, and other authorized sources to fund all Veterans' Homes programs.

Coronavirus Relief Fund (GAAP Fund Type 05)

The Coronavirus Relief fund (Fund 0325) receives federal economic grants from the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Proceeds are used to offset expenses as a result of response to COVID-19 at all state veterans' homes.

FIDUCIARY FUND TYPES

The implementation of GASB Statement 84 increases consistency and comparability of fiduciary activity reporting by state governments. Activities previously reported in agency funds are reported in custodial funds, beginning fiscal year 2020.

Amounts collected for other agencies in connection with the GLO's custodial duties of the state's land resources are shown by fund in Schedule 4 and by source in Schedule 5.

Custodial funds are used to report fiduciary activities that are not required to be reported in pension trust funds, investment trust funds, or private-purpose trust funds. The materiality threshold for custodial funds is set at \$100,000. GAAP funds with yearly activity less than \$100,000 must be reported in a governmental fund. GAAP funds with yearly activity greater than \$100,000 and meets the other criteria of a custodial fund must be reported in fund type 22.

Purchase/Lease Land Vacancy Trust Fund

The purchase/lease land vacancy trust fund (Fund 0873) holds fees and money deposited to cover costs of proceeding under an application to purchase or lease vacant land. After proceedings on application have concluded and all authorized expenditures have been paid, the agency shall remit the remaining balance back to the applicant.

Child Support Employee Deductions Offset Account Fund

The child support employee deductions offset account (Fund 0807) accumulates money withheld from the salaries of state employees for child support deductions and is distributed to the statewide disbursement unit through a single direct deposit.

COMPONENT UNITS

Component units are legally separate organizations for which the elected officials of the primary government are either financially accountable or the nature and significance of their relationship with the agency is such that exclusion would cause the agency's financial statements to be misleading or incomplete. Texas General Land Office has one discrete component unit presented in the Combined Statement of Net Position and the Combined Statement of Revenues, Expenses, and Changes in Net Position.

Alamo Endowment Component Unit Fund (GAAP Fund Type 15)

The Alamo Endowment component unit fund (Fund 5002) presents the activities and balances of a discrete component unit, the Alamo Endowment. Additional component unit information is presented annually in Note 19.

MEMORANDUM TOTALS

The total columns on the financial statements are captioned "Memorandum Only" to indicate that they are for informational purposes only. Data in these columns do not present the financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation.

BASIS OF ACCOUNTING

The basis of accounting determines when revenues and expenditures or expenses are recognized in the accounts reported in the financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

Governmental fund types that build the fund financial statements are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized in the period in which they become both measurable and available to finance operations of the fiscal year or liquidate liabilities existing at fiscal year-end. The State of Texas considers receivables collected within sixty days after year-end to be available and recognizes them as revenues of the current year for fund financial statements prepared on the modified accrual basis. Expenditures and other uses of financial resources are recognized when the related fund liability is incurred.

Governmental adjustment fund types that build the government-wide financial statements are accounted for using the full accrual basis of accounting. This includes capital assets, accumulated depreciation, unpaid employee compensable leave, the unmatured debt service (principal and interest) on general long-term liabilities, long-term capital leases, long-term claims and judgments, and full accrual revenues and expenses. The activity is recognized in these fund types.

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

The VLB, from time to time, enters into interest rate swap agreements to hedge interest rates on outstanding debt. Other than the net interest expenses resulting from these agreements, no amounts are recorded in the financial statements.

BUDGETS AND BUDGETARY ACCOUNTING

The budget is prepared biennially and represents appropriations authorized by the legislature and approved by the governor (the General Appropriations Act). Encumbrance accounting is employed for budgetary control purposes. Unencumbered appropriations are subject to lapse 60 days after the end of the fiscal year for which they were appropriated.

ASSETS, LIABILITIES, AND FUND BALANCES/NET POSITION

ASSETS

Restricted assets include monies or other resources restricted by legal or contractual requirements. These assets include proceeds of enterprise fund general obligation or revenue bonds and revenues set aside for statutory or contractual requirements.

Cash and cash equivalents includes cash on hand, cash in local banks, cash in the State Treasury, and short-term highly liquid investments with an original maturity of three months or less.

Legislative appropriations represent the general revenue fund (Fund 0001) amount in the State Treasury at fiscal year-end.

Investments are stated at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* and GASB Statement No. 72, *Fair Value Measurement and Application*. Securities lent are reported as assets on the balance sheet. The costs of securities lending transactions are reported as expenditures or expenses in the operating statement. These costs are reported at gross. Current investments have a maturity date of one year or less, while noncurrent investments have a maturity date of greater than one year.

Investments in real assets represent real property, mineral interests (excluding hard minerals), and shares in external investment funds held for the benefit of the permanent school fund and are carried at fair value.

Receivables consist mainly of intergovernmental federal, interest, and accounts receivable as of the balance sheet date.

The voluntary oil and gas royalty receivables are calculated from production reports or remittance advices; the payments and reporting of these royalties are not legally due until the second month after production occurs. The receivables for voluntary oil and gas royalties are established based on the information received in the remittance advices in September and October 2020 for the production months August 2020 and earlier.

Allowance for uncollectibles is a contra-asset account representing estimated accounts receivables determined not to be collectible. The change in allowance for uncollectibles is charged against its respective revenue source.

Due from other funds and agencies represents nonreciprocal interfund and interagency activities, or transfers of assets without equivalent flow of assets in return or a requirement for repayment.

Notes, loans, and contracts represent the receivable balance on all active housing assistance mortgages, home improvement loans, land loans, land mortgages, loans issued on the sale of permanent school fund internal real assets investments, and capital trust fund land sale loans. Because housing and land mortgages are insured, and land contracts, permanent school fund notes, and capital trust fund notes are collateralized by the land, losses on loans and contracts are minimal; therefore, an estimate for allowance for uncollectibles is unnecessary. Current loans and contracts represent the principal balances maturing within one year, while noncurrent loans and contracts represent the principal balances maturing after one year.

Property acquired through foreclosure represents the outstanding balance on foreclosed housing mortgages and land loans.

Inventories and Prepaid items include inventories valued using the consumption method; costs of inventories are expensed when they are consumed. Prepaid items reflect payments for costs applicable to future accounting periods.

Capital assets are capitalized at cost, or if not purchased, at acquisition value as of the date of acquisition if the asset's individual cost or estimated fair value is greater than \$100,000 for buildings and \$5,000 for other capital assets, and estimated useful life is greater than one year. Depreciation is reported on all "exhaustible" assets. Capital assets are depreciated over the estimated useful life of the asset using the straight-line method. Capital assets of governmental funds are reported as expenditures. Adjustments are recorded in the capital asset adjustment fund type to convert these expenditures to capital assets for the government-wide financial statements.

Intangible assets are defined as assets that lack physical substance, are nonfinancial in nature, and have an initial useful life

extending beyond a single reporting period. Intangible assets are classified as capital assets and reported on the statement of net position only if they are identifiable. Purchased software is capitalized if the aggregate purchase exceeds \$100,000. Internally generated computer software is capitalized if it meets the \$1 million threshold. Other intangible capital assets include patents, trademarks and copyrights. Purchases of other intangible assets are capitalized if the cost meets or exceeds \$100,000. Intangible assets are depreciated over the estimated useful life of the asset using the straight-line method.

The disaggregation of other receivables as reported in the financial statements is shown in Note 24, Disaggregation of Receivables and Payables Balances.

LIABILITIES

Accounts payable represents the liability for the value of assets or services received at the balance sheet date for which payment is pending.

Debt service interest payable represents accrued interest expense on bond indebtedness for which payment is scheduled in the subsequent fiscal year.

The disaggregation of other payables as reported in the financial statements is shown in Note 24, Disaggregation of Receivables and Payables Balances.

Unearned revenues represent income for which payment has been received before it is earned. The recognition of these revenues is delayed and not available to liquidate liabilities of the current period.

Due to other funds and agencies represents nonreciprocal interfund and interagency activities, or transfers of assets without equivalent flow of assets in return or a requirement for repayment.

Employees' compensable leave represents the liability that becomes due upon the occurrence of relevant events such as resignations, retirements, and uses of leave balances by covered employees. Liabilities are reported separately as either current or noncurrent in the statement of net position. These obligations are normally paid from the same funding source from which each employee's salary or wage compensation was paid.

Bonds payable includes current interest and capital appreciation bonds. The outstanding principal amount of current interest bonds is accounted for as a liability in their respective funds for enterprise funds. Bonds are reported at par, net of unamortized premiums, discounts, issuance costs and gains or losses on bond refunding activities. Bonds Payable is reported net of unamortized discounts and premiums and separately as either current or noncurrent on the statement of net position. Current bonds payable represents bonds payable balances that will mature

within one year, while noncurrent bonds payable represents bonds payable balances that will mature in greater than one year. The agency does not have deep discount bonds to report at August 31, 2020.

Obligations under securities lending are funds held in exchange for securities lending collateral and their earnings are recognized as revenues.

FUND BALANCE/NET POSITION

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

Nonspendable fund balance includes amounts not available to be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted fund balance includes those resources that have constraints placed on their use through external parties or by law through constitutional provisions.

Committed fund balance can be used only for specific purposes pursuant to constraints imposed by a formal action of the Texas Legislature, the state's highest level of decision-making authority.

Assigned fund balance includes amounts constrained by the state's intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by the Texas Legislature or a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

Unassigned fund balance is the residual classification for the general fund. The classification represents the fund balance that was not assigned to other funds and was not restricted, committed or assigned to specific purposes within the general fund.

Net Position, Invested in Capital Assets, Net of Related Debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

Restricted Net Position results when constraints placed on assets use are either externally imposed by creditors, grantors, and the like, or imposed by law through constitutional provisions or enabling legislation. When both restricted and unrestricted net position are available for use, restricted resources are used first, and then unrestricted resources are used as they are needed.

Unrestricted Net Position consists of assets that do not meet the definition of net position, invested in capital assets, net of related debt or restricted net position. Unrestricted net position often has constraints on resources that are imposed by management but can be removed or modified.

INTERFUND ACTIVITY AND TRANSACTIONS

Transactions between the agency's funds have been analyzed and classified in accordance with the following criteria:

Nonreciprocal interfund activity is similar to non-exchange transactions or other events and includes transfers and reimbursements. *Interfund transfers* represent the flow of assets without the equivalent flow of assets in return or a requirement for repayment. Interfund transfers are reported as transfers in by the recipient fund and as transfers out by the disbursing fund, which are included as other financing sources or uses in governmental funds and after non-operating revenues and expenses in proprietary funds.

Reimbursements are repayments from funds responsible for expenditures or expenses to funds that made the actual payment. Reimbursements of expenditures or expenses made by one fund for another fund are recorded as expenditures or expenses in the reimbursing fund, and as a reduction of expenditures or expenses in the reimbursed funds. Reimbursements are not displayed in the financial statements.

Reciprocal interfund activity includes loans and interfund sales and purchases. Loans are reported as *interfund receivables and payables* on the balance sheet. If repayment is due during the current year or soon thereafter, the balance is classified as current. Balances for repayment due in two or more years are classified as noncurrent.

Note 2

CAPITAL ASSETS

A summary of changes in capital assets for governmental activities for the year ended August 31, 2020, is presented in **Table 1** on page 35. Changes in capital assets for business-type activities are presented in **Table 2** on page 36. Not included in the aforementioned tables, the General Land Office maintains a historical archive collection held for public exhibition, education, and public service. The collection includes approximately 36.5 million small format documents and approximately 45,000 maps, sketch files and other documents and bound volumes, dating back to 1561. Artifacts in the archives collection are not sold but preserved and kept in the historical collection. As such, the

archives collection is not required to be capitalized and is exempt under GASB Statement No. 34 requirements.

Note 3

DEPOSITS, INVESTMENTS AND REPURCHASE AGREEMENTS

AUTHORITY FOR INVESTMENTS AND SECURITIES LENDING

Investments are restricted as follows:

PERMANENT SCHOOL FUND

Tex. Nat. Res. Code Ann., §51.402 allows the board to use money designated under §51.401 to "add to a tract of public school land to form a tract of sufficient size to be manageable; to add contiguous land to public school land; to acquire, as public school land, interests in real property for biological, commercial, geological, cultural, or recreational purposes; to acquire mineral and royalty interests for the use and benefit of the permanent school fund; to protect, maintain, or enhance the value of public school land; to acquire interests in real estate; to pay reasonable fees for professional services related to permanent school fund investments; or to acquire, sell, lease, trade, improve, maintain, protect or use land, mineral or royalty interests, or real estate investments, an investment or interest in public infrastructure, or other interests, at such prices, and under such terms and conditions the board determines to be in the best interest of the permanent school fund." Before using funds for any of the above purposes, the board must determine that the use of the funds for the intended purpose is authorized, and by using the prudent investor standard, the board must also determine that the use of the funds for the intended purpose is in the best interest of the permanent school fund. Additionally, §51.402(c) states that the market value of the investments made under §§51.402(a)(6) and (a)(8) on January 1 of each even-numbered year may not exceed an amount that is equal to 15 percent of the market value of the assets held by the SLB and the State Board of Education.

VETERANS LAND PROGRAM

Eligible securities for the Veterans Land Program are defined by the Tex. Const. Art. III, §49-b and Tex. Nat. Res. Code Ann., §161.173. Art. III, §49-b (k) states, monies which are "not immediately committed to the payment of principal and interest on the bonds, the purchase of lands as herein provided, or the payment of expenses as herein provided may be invested as authorized by law until such monies are needed for such purposes." Tex. Nat. Res. Code Ann., §161.173 defines authorized investments to include, though not exclusively: investment

Table 1

CHANGES IN CAPITAL ASSETS

For the Year Ended August 31, 2020

GOVERNMENTAL ACTIVITIES	Balance 9/1/2019	Adjustments	Reclassifications		Additions	Deletions	Balance 8/31/2020
			Completed CIP	Decr-Int'gy Transfers			
<i>Non-depreciable Assets</i>							
Land and Land Improvements	7,214,800.19						7,214,800.19
Construction in Progress	316,138.60		(1,593,600.00)		2,676,473.70		1,399,012.30
Other Capital Assets	16,025,177.28				119,267.30		16,144,444.58
Total Non-depreciable Assets	23,556,116.07	0.00	(1,593,600.00)	0.00	2,795,741.00	0.00	24,758,257.07
<i>Depreciable Assets</i>							
Buildings and Building Improvements	67,558,359.00		1,593,600.00		115,370.11		69,267,329.11
Facilities and Other Improvements	2,662,275.92				898,081.19		3,560,357.11
Furniture and Equipment	7,824,581.18				439,804.08	(40,955.22)	8,223,430.04
Vehicles, Boats, and Aircraft	7,690,176.34	(4,000.00)		(88,553.18)	211,628.75	(161,380.41)	7,647,871.50
Other Capital Assets	15,000.00				124,228.00		139,228.00
Total Depreciable Assets at Historical Costs	85,750,392.44	(4,000.00)	1,593,600.00	(88,553.18)	1,789,112.13	(202,335.63)	88,838,215.76
<i>Less Accumulated Depreciation for:</i>							
Buildings and Building Improvements	(34,708,526.39)				(2,642,272.62)		(37,350,799.01)
Facilities and Other Improvements	(284,512.41)				(196,091.80)		(480,604.21)
Furniture and Equipment	(5,537,732.34)				(617,938.53)	40,955.22	(6,114,715.65)
Vehicles, Boats, and Aircraft	(5,932,536.54)	4,000.00		85,239.18	(522,431.30)	161,380.41	(6,204,348.25)
Other Capital Assets	(15,000.00)				(5,646.48)		(20,646.48)
Total Accumulated Depreciation	(46,478,307.68)	4,000.00	0.00	85,239.18	(3,984,380.73)	202,335.63	(50,171,113.60)
Depreciable Assets, Net	39,272,084.76	0.00	1,593,600.00	(3,314.00)	(2,195,268.60)	0.00	38,667,102.16
<i>Amortizable Assets - Intangibles</i>							
Intangible Computer Software	1,094,440.07						1,094,440.07
Total Amortizable Assets - Intangibles at Historical Costs	1,094,440.07	0.00	0.00	0.00	0.00	0.00	1,094,440.07
<i>Less Accumulated Amortization for</i>							
Intangible Computer Software	(923,309.23)				(58,754.64)		(982,063.87)
Total Accumulated Amortization	(923,309.23)	0.00	0.00	0.00	(58,754.64)	0.00	(982,063.87)
Amortizable Assets - Intangibles, Net	171,130.84	0.00	0.00	0.00	(58,754.64)	0.00	112,376.20
Governmental Activities Capital Assets, Net	62,999,331.67	0.00	0.00	(3,314.00)	541,717.76	0.00	63,537,735.43

agreements, direct security repurchase and reverse security repurchase agreements, direct obligations of the United States, certain mortgage obligations, bankers' acceptances, commercial paper, municipal obligations, collateralized mortgage obligations, and any other investment authorized for investment of state funds by the State Treasury under Tex. Gov't Code Ann., §404.024. Tex. Nat. Res. Code Ann., §161.1732 authorizes the Veterans Land Board to engage in securities lending.

VETERANS HOUSING ASSISTANCE PROGRAM

Eligible securities for the Veterans Housing Assistance Program are defined by the Tex. Const. Art. III, §49-b(f) and Tex. Nat. Res. Code Ann., §162.004. Art. III, §49-b(f) states, "[t]he principal of and interest on the general obligation bonds authorized by this section for the benefit of the Veterans Housing Assistance Fund shall be paid out of the money of the fund, but the money of the

fund which is not immediately committed to the payment of principal and interest on such bonds, the making of home mortgage loans as herein provided, or the payment of expenses as herein provided may be invested as authorized by law until the money is needed for such purposes." Tex. Nat. Res. Code Ann., §162.004 defines authorized investments as "investments authorized for the Veterans Land Fund," which include, though not exclusively: investment agreements, direct security repurchase and reverse security repurchase agreements, direct obligations of the United States, certain mortgage obligations, bankers' acceptances, commercial paper, municipal obligations, collateralized mortgage obligations, and any other investment authorized for investment of state funds by the State Treasury under Tex. Gov't Code Ann., §404.024. Tex. Nat. Res. Code Ann., §162.0042 authorizes the VLB to engage in securities lending.

VETERANS MORTGAGE REVENUE BOND PROGRAM

Tex. Nat. Res. Code Ann., §164.011(d) specifies that money in the Veterans Mortgage Revenue Bond Program "shall be invested in authorized investments as provided by a resolution or order of the board." There are currently no bonds outstanding in the Veterans Mortgage Revenue Bond Program. Tex. Nat. Res. Code Ann., §164.1732 authorizes the VLB to engage in securities lending.

COASTAL PROTECTION FUND

The Coastal Protection Fund (CPF) was established by the Oil Spill Prevention and Response Act of 1991 and codified in Tex. Nat. Res. Code §40.151 to provide immediately available funds from the State Treasury to be used by the land commissioner to carry out his responsibilities under this Act and the Coastal Erosion Planning and Response Act, codified at Tex. Nat. Res. Code, Chapter 33.601, et seq. The CPF is invested in accordance with Tex. Gov't Code Ann. §404.024.

UNEARNED TRUST FUNDS

The Travel Advance Account is authorized by Tex. Gov't. Code Ann., §403.244 and §403.248.

DEPOSITS

Carrying amounts of bank accounts at August 31, 2020, are listed in **Table 3** on page 37. These amounts consist of cash and cash equivalents in local banks. These amounts are included on the Combined Balance Sheet/Statement of Net Position and the Combined Statement of Fiduciary Net Position as part of the Cash and Cash Equivalents accounts.

Custodial credit risk for deposits is the risk that, in the event of failure of a depository financial institution, the agency will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party.

Table 2

CHANGES IN CAPITAL ASSETS

For the Year Ended August 31, 2020

BUSINESS-TYPE ACTIVITIES	Balance	Adjustments	Reclassifications	Additions	Deletions	Balance
	9/1/2019		Completed			8/31/2020
	\$	\$	CIP	\$	\$	\$
<i>Non-depreciable Assets</i>						
Land and Land Improvements	4,039,500.00			1,800,000.00		5,839,500.00
Construction in Progress	903,976.67			1,081,550.31		1,985,526.98
Total Non-depreciable Assets	4,943,476.67	0.00	0.00	2,881,550.31	0.00	7,825,026.98
<i>Depreciable Assets</i>						
Buildings and Building Improvements	165,834,938.66			392,399.48		166,227,338.14
Facilities and Other Improvements	22,963.00					22,963.00
Furniture and Equipment	1,020,213.56			73,543.25		1,093,756.81
Vehicles, Boats, and Aircraft						-
Total Depreciable Assets at Historical Costs	166,878,115.22	0.00	0.00	465,942.73	0.00	167,344,057.95
<i>Less Accumulated Depreciation for:</i>						
Buildings and Building Improvements	(67,459,080.27)			(7,719,645.15)		(75,178,725.42)
Facilities and Other Improvements	(8,992.98)			(1,148.04)		(10,141.02)
Furniture and Equipment	(682,675.22)			(98,010.69)		(780,685.91)
Vehicles, Boats, and Aircraft						-
Total Accumulated Depreciation	(68,150,748.47)	0.00	0.00	(7,818,803.88)	0.00	(75,969,552.35)
Depreciable Assets, Net	98,727,366.75	0.00	0.00	(7,352,861.15)	0.00	91,374,505.60
<i>Amortizable Assets - Intangibles</i>						
Intangible Computer Software	298,693.15					298,693.15
Total Amortizable Assets - Intangibles at Historical Costs	298,693.15	0.00	0.00	0.00	0.00	298,693.15
<i>Less Accumulated Amortization for</i>						
Intangible Computer Software	(298,693.15)					(298,693.15)
Total Accumulated Amortization	(298,693.15)	0.00	0.00	0.00	0.00	(298,693.15)
Amortizable Assets - Intangibles, Net	0.00	0.00	0.00	0.00	0.00	0.00
Business-Type Activities Capital Assets, Net	103,670,843.42	0.00	0.00	(4,471,310.84)	0.00	99,199,532.58

The agency does not have a policy for custodial credit risk nor are any of its deposits at August 31, 2020 exposed to custodial credit risk.

INVESTMENTS

Per GASB Statement 72, fair value is “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.” GASB 72 establishes Fair Value Hierarchy that includes three levels of inputs based on the reliability and objectivity of the information:

Level 1 – inputs are quoted prices (unadjusted in active markets for assets or liabilities identical to the ones being measured). Level 1 inputs receive the highest priority.

Level 2 – inputs are observable for similar assets or liabilities, either directly (quoted market prices for similar assets or liabilities) or indirectly (corroborated from observable market information).

Level 3 – inputs are unobservable (for example: management’s assumption of the default rate among underlying mortgage-backed security). Level 3 inputs receive the lowest priority.

GASB Statement 72 identifies the following three acceptable valuation approaches to determine the fair value: market approach, cost approach, and income approach. These three approaches are consistent with generally accepted valuation methodologies. While all three are not applicable to all assets or liabilities accounted for at fair value, where appropriate and possible, one or more valuation techniques may be used.

VETERANS LAND BOARD

The Veterans Land Board (VLB) is responsible for the investment of money in Housing Assistance Fund I, Housing Assistance Fund II, the Land Fund, the State of Texas David A. Gloier Texas State Veterans Home Program, and the Veterans Mortgage Revenue Bond Program. Pursuant to applicable law, money in the funds and programs may be invested in the following instruments: investment agreements; repurchase agreements; reverse repurchase agreements; direct obligations of or obligations guaranteed by the United States; direct obligations of or obligations guaranteed by the Federal National Mortgage Association (FNMA), the Federal Farm Credit System (FFCS), the Student Loan Marketing Association (SLMA), the Federal Home Loan Mortgage Corporation (FHLMC), or any of their successors; certain bankers' acceptances issued by banks having the highest short-term credit rating of a nationally recognized rating firm; commercial paper having the highest short-term credit rating of a nationally recognized rating firm; option contracts (other than naked-options or uncovered-options); state and local bonds, including revenue bonds issued under Tex. Nat. Res. Code Ann., §164, or mutual funds composed of such bonds; deposits insured

Table 3

DEPOSITS

GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES	
Cash in Bank - Carrying Amount	\$ 396,902.33
Cash in Bank per AFR	\$ 396,902.33
Current Assets Cash in Bank	\$ 396,902.33
DISCRETE COMPONENT UNIT	
Cash in Bank - Carrying Amount	\$ -
Cash in Bank per AFR	\$ -
Discrete Component Unit Current Assets Cash in Bank	\$ -

by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or any of their successors; collateralized mortgage obligations (CMOs) issued or guaranteed by the Government National Mortgage Association or by FNMA, FFCS, SLMA, FHLMC, or any of their successors; securities issued by the Farm Credit System Financial Assistance Corporation, the Private Export Funding Corporation or the Export-Import Bank; and any other instrument authorized for investment of state funds by the State Treasury.

Investments are reported at fair value as required by GASB 31 and GASB Statement 72. The VLB's written Investment Policy Statement (IPS) permits the chief investment officer to purchase, sell, or trade investments in any of the funds or programs in accordance with applicable legal and IPS limitations and imposes upon the chief investment officer, a "prudent person" standard. The IPS dictates certain portfolio diversification requirements and instructs the chief investment officer to invest assets in a manner that maximizes total return, while providing the liquidity and cash flow necessary to fund the programs administered by the Veterans Land Board. The IPS requires that certificates of deposit and repurchase agreements be collateralized by direct obligations of or guaranteed by the United States or by obligations of agencies and instrumentalities of the United States, except that certificates of deposit may also be collateralized by state of Texas general obligation bonds and certain Texas state and local bonds (or mutual funds consisting of such), which are rated "A" or better by a nationally recognized rating firm. The collateralization level is 102 percent of fair value of principal plus accrued interest, and the IPS requires the collateral to be marked to market daily to ensure compliance with the 102 percent requirement. Finally, the IPS permits investment in bonds issued, assumed, or guaranteed by the state of Israel, which are permitted investments for state funds by the State Treasury. The VLB's IPS will be revised from time to time if such revisions are determined by the VLB to be in the best interest of its programs.

As stated in its IPS, the VLB's "general investment objective is to invest its assets in a manner that maximizes total return, while providing the liquidity and cash flow necessary to fund the programs it administers." Within the context of that general objective, the IPS further states that the primary objective is to "ensure the liquidity and cash flow necessary to fund loan purchases," while the "maximization of total return ... is an important, but secondary, consideration." In addition, the IPS dictates that "the time horizon of the board's composite investment portfolio should be flexible enough to allow for the inherent volatility in demand in its various loan programs." Therefore, during periods of high loan demand, the time horizon of the portfolio will generally be very short (two years or less), and during periods of normal loan demand, the time horizon will be generally short to intermediate (three to five years).

The preservation of principal is an important component of ensuring sufficient liquidity and cash flow to fund loan purchases, as mandated by the IPS. The VLB accomplishes the preservation of principal in the investment portfolio primarily by controlling its interest rate risk and credit risk.

Interest Rate Risk. The investment portfolio's interest rate risk is controlled primarily through cash flow matching. This technique involves projecting cash flow needs and investing in securities that mature at or near the time of the projected cash flow requirements. As a result, the weighted average maturity and modified duration of the portfolio are maintained in a flexible manner and typically range from two to five years. At August 31, 2020, the weighted average maturity of the portfolio was approximately 3.90 years, and the modified duration was approximately 3.55 years.

Credit Risk. The investment portfolio's credit risk is controlled by investing in securities with high credit quality. These are typically securities rated "A" or higher by a nationally recognized rating agency. At August 31, 2020, the average credit rating of the securities in the investment portfolio was Aa3 by Moody's Investor Services and AA- by Standard & Poor's.

Custodial Credit Risk. There was no custodial credit risk at August 31, 2020, because the securities in the investment portfolio were registered in the name of the VLB.

Money in Housing Assistance Fund I, Housing Assistance Fund II, and the Land Fund that is not invested by the VLB is currently held in an external investment pool by the Texas Comptroller of Public Accounts (CPA). The CPA invests in authorized investments consistent with applicable law and the CPA Investment Policy. The CPA pools funds for investment purposes and allocates investment earnings on pooled funds proportionately among the various state agencies whose funds are so pooled. The approximate size of the pool ranges from \$17 billion to \$35 billion, depending upon seasonal variations in revenues and expenditures. Typically, most pooled funds are invested in the following instruments: repurchase agreements, obligations of the

United States and its agencies and instrumentalities, corporate debt, and fully collateralized deposits in authorized state depositories. All investments are marked to market daily, using an external financial service.

State Street Bank and Trust Company (State Street) serves as the VLB's investment custodian and securities lending agent for the Housing Assistance Fund I, Housing Assistance Fund II, and the Land Fund. State Street also serves as the investment custodian for the State of Texas David A. Gloier Texas State Veterans Home Program.

As of August 31, 2020, and including cash held at the Texas State Treasury, the fair value of the total portfolio of investments in the Housing Assistance Fund I, Housing Assistance Fund II, and the Land Fund was \$1,018,380,494.58; the fair value of the total portfolio of investments in the State of Texas David A. Gloier Texas State Veterans Home Program was \$35,361,396.42. The VLB does not anticipate the need to sell any investments prior to their maturity to fulfill the liquidity needs of its programs. However, the VLB reserves the right to sell any investment, possibly realizing a gain or loss in the process, if it determines that such action is in the best interest of its programs. Summary statements showing the fair value of the board's investment portfolio as of August 31, 2020, can be found in **Table 4** on page 39 and **Table 5** on page 40.

Debt securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those types of securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is often used to value infrequently-traded securities based on the securities' relationship to benchmark quoted prices.

Investment derivative instruments classified in Level 2 of the fair value hierarchy are valued using an income approach based upon the present value of future implied cash flows that considers observable inputs related to benchmark interest rates and credit default swap pricing.

SCHOOL LAND BOARD

The School Land Board (SLB) is responsible for the investment of money in the Real Estate Special Fund Account (RESFA) of the permanent school fund (PSF). Pursuant to applicable law, money in the RESFA may be invested in land, interests in real estate, mineral and royalty interests, real assets investments, investments or interests in public infrastructure, or other interests. Investments of the PSF/SLB are reported at fair value and are summarized in **Table 7** on page 42.

The SLB's written investment policy statement (Investment Policy) authorizes the investment of money in the RESFA in externally managed commingled funds, separate accounts, and co-investment vehicles.

Table 4

INVESTMENT PORTFOLIOS AT CARRYING VALUE AND FAIR VALUE

LAND AND HOUSING ASSISTANCE FUNDS	Fair Value Hierarchy			Net Asset Value	Fair Value
	Level 1 Inputs ⁽¹⁾	Level 2 Inputs	Level 3 Inputs		
Investment Type	\$	\$	\$	\$	\$
U.S. Treasury Securities	234,453,826.60				234,453,826.60
U.S. Treasury Strips	5,623,860.00				5,623,860.00
U.S. Government Agency Obligations	221,228,977.51				221,228,977.51
Money Market Mutual Fund	233,431,477.19				233,431,477.19
Commercial Paper	268,260,538.89				268,260,538.89
Taxable Municipals	112,060,746.09				112,060,746.09
Corporate Bonds	130,683,658.50				130,683,658.50
Investment Derivative Instruments		(4) (97,237.00)			(97,237.00)
International Obligations		6,996,970.00			6,996,970.00
Securities Lending - Cash Collateral Investment Pool ⁽³⁾	91,236,010.00				91,236,010.00
Total Investments	1,296,979,094.78	6,899,733.00	0.00	0.00	1,303,878,827.78 ⁽¹⁾
Cash in State Treasury ⁽²⁾					166,092,879.09
Total Investments and Cash in State Treasury					1,469,971,706.87
Consisting of the following:					
Cash Equivalents					369,482,296.59
Current Investments					551,461,042.15
Noncurrent Investments					291,699,479.04
Securities Lending Collateral ⁽³⁾					91,236,010.00
Total Investments per Exhibits					1,303,878,827.78

⁽¹⁾ Includes \$12,441,248.89 and \$19,111,792.69 in the Fund I Bond Reserve and the Fund I Mortgage Reserve, respectively. The Bond and Mortgage Reserves are pledged only to support the Fund I Housing Assistance Bonds. As long as the Fund I Bond Reserve contains an amount equal to maximum average annual debt service requirements on the Fund I Housing Assistance Bonds, (i) any excess may be released from the Fund I Bond Reserve but will otherwise be considered as part of Housing Fund I, and (ii) any investment earnings relating to the Fund I Bond Reserve are automatically released from the Fund I Bond Reserve but are otherwise considered as part of Housing Fund I. Investment earnings relating to the Fund I Mortgage Reserve may generally be used for any lawful purpose permitted for monies in Housing Fund I.

⁽²⁾ The External Investment Pool is managed by the Treasury Operations Division of the Comptroller of Public Accounts of the state of Texas.

⁽³⁾ Per GASB 25 and 31, securities lending cash collateral asset is subject to fair value adjustments and reported at fair value. Per GASB 28, the liability is reported at amortized cost. The difference between securities lending cash collateral asset and liability is reported as unrealized gain/loss on investments on the operating statement.

⁽⁴⁾ Fiscal year 2020 Investment Derivative Instruments fair value amount will be corrected from \$(97,237.00) to \$(216,480.00) in fiscal year 2021.

The Investment Policy authorizes an Investment Advisory Committee (IAC) to review potential externally-managed private-markets real asset investments and make recommendations to the SLB for the investment of money in the RESFA. The current IAC is comprised of four members, chaired by the chief investment officer of the Texas General Land Office. The IAC meets periodically to review potential investments and works in conjunction with the SLB's real assets investment advisor, currently The Townsend Group, to evaluate potential investments and make recommendations for the investment of money in the RESFA. Following the formulation of recommendations by the IAC, the chairman of the IAC makes formal presentations and recommendations to the SLB for its consideration and approval.

Certain internally managed real estate transactions are evaluated by Texas General Land Office staff and are then formally presented to the IAC for review and the SLB for consideration and approval.

The SLB's general investment objective is to invest money in the RESFA in land, interests in real estate, mineral or royalty interests, real assets investments, investments or interests in public infrastructure, or other interests, in a manner that seeks to maximize returns within the framework of the prudent investor standard. Given the typical nature of private-markets real assets investments, it is expected that the real assets investment portfolio managed by the SLB will be characterized by a long-term investment horizon and will be relatively illiquid.

UNAUDITED
Texas General Land Office and Veterans Land Board

Money that is awaiting investment by the SLB is currently held in the PSF liquid account (PSFLA) managed by the State Board of Education (SBOE). The SBOE may invest funds in the PSFLA. The investments may be made only in liquid assets, in the same manner that the PSF is managed by the SBOE.

Cash in the RESFA is currently held in an external investment pool managed by the Texas Comptroller of Public Accounts consistent with applicable law and the CPA investment policy. The CPA pools funds for investment purposes and allocates investment earnings on pooled funds. The CPA invests in authorized investments proportionately among the various state agencies whose funds are so pooled. The approximate size of the pool ranges from \$17 to \$35 billion depending upon seasonal variations in revenues and expenditures. Currently, most pooled funds are invested in the following instruments: repurchase agreements, obligations of the United States and its agencies and instrumentalities, corporate debt, and fully collateralized deposits in authorized state depositories. All investments are marked to market daily using an external financial service.

State Street Bank and Trust Company (State Street) provides accounting, performance measurement, and reporting services for the PSF real assets investment portfolio. The cash flow data and net asset values used by State Street to provide its accounting and performance measurement and reporting services are provided to State Street directly by the SLB's external fund managers regarding the SLB's externally managed real assets investments.

The fair value of the PSF real assets investment portfolio was derived by taking the net asset value from State Street Summary of Investments – External Portfolio at June 30, 2020 and adjusting it for cash transactions that transpired during July and August 2020.

Real assets investments include 72 commingled closed-end funds, commingled open-end funds, separate accounts, and co-investment vehicles that invest in private-market real assets transactions across the energy, infrastructure, and real estate sectors of the real assets investment universe. The fair values of the investments in this category have been determined using the net asset value (NAV) per share (or its equivalent) of the board's ownership interest in partners' capital. These types of investments generate some income over the lives of the associated partnerships but are generally illiquid until the underlying assets are liquidated. Except for open-ended funds, most of the partnerships have specific termination dates, and it is expected that most of the current underlying assets of these partnerships will be liquidated over the next 12 years. The investments measured at the NAV per share (or its equivalent), including unfunded commitments, are presented in **Table 6** on page 41. Additionally, investments measured at the NAV are included in **Table 7** on page 42.

The fair valuation process of PSF(SLB)'s land surface value is based on using a combination of level 2 and level 3 inputs. These inputs consist of market data from a variety of sources and surveys tempered with known transactions in the subject's competing marketplace. Values are based on estimated appraised values or are independently determined by the staff in Appraisal Services

Table 5

INVESTMENT PORTFOLIO AT FAIR VALUE

	Fair Value Hierarchy			Net Asset Value	Fair Value
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs		
Investment Type	\$	\$	\$	\$	\$
U.S Treasury Securities	4,998,848.50				4,998,848.50
Money Market Mutual Fund	1,912,471.81				1,912,471.81
U.S. Gov ernment Agency Obligations	2,999,640.00				2,999,640.00
Commercial Paper	15,957,427.22				15,957,427.22
Total Investments	25,868,387.53	0.00	0.00	0.00	25,868,387.53
Cash in State Treasury ⁽¹⁾					32,159,034.15
Total Investments and Cash in State Treasury					58,027,421.68
Consisting of the following:					
Cash Equivalents					1,912,471.81
Current Investments					23,955,915.72
Total Investments per Exhibits					25,868,387.53

⁽¹⁾ Cash in State Treasury is managed by the Treasury Operations Division of the Comptroller of Public Accounts of the state of Texas.

Table 6

INVESTMENTS MEASURED AT THE NET ASSET VALUE (NAV)

Investments with External Investment Managers by Sector

Energy	\$ 1,164,010,823.17
Real Estate	1,174,815,265.18
Infrastructure	1,485,408,584.11
Total PSF (SLB) investments	\$ 3,824,234,672.46

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice	Liquidity Expectation
Investments with External Investment Managers					
Energy	\$ 1,164,010,823.17	\$ 1,075,433,360.97	None	None	2-12 years
Real Estate:					2-12 years
Closed-End	670,307,228.18	645,532,385.27	None	None	2-12 years
Open-End	563,508,037.00		Quarterly	45-90 days	2-12 years
Infrastructure	1,485,408,584.11	1,007,042,565.13	None	None	2-12 years
Total Investments measures at NAV	\$ 3,883,234,672.46	\$ 2,728,008,311.37			

using a combination of actual sales and data from studies conducted by the Texas Chapter of the American Society of Farm Managers and Rural Appraisers, Multiple Listing Services throughout the state and CoStar commercial sales data in certain metropolitan areas. Since the majority of PSF(SLB) lands are vacant, the market approach to value is utilized and applied to the aggregate of properties located in a specific land class and region throughout the state. Except for cases where the asset has income production over and above the amount to offset holding costs, both the market and income approaches to value are utilized.

The fair value of the Fund’s interests in oil and gas is determined by using the present value technique of the income approach and is based upon an industry-standard 3P reserve report (i.e. proved, possible, and probable reserves) prepared by a third-party expert, W.D. Von Gonten & Co., a Houston-based petroleum engineering firm widely recognized as an industry expert in oil and gas reserve evaluation and valuation. Employing a methodology for estimating reserves that conforms to all standards established by the Society of Petroleum Engineers, the World Petroleum Council, the American Association of Petroleum Geologists, and the Society of Petroleum Evaluation Engineers, Von Gonten estimated future revenues from those estimated reserves and then discounted those revenues at 10 percent to arrive at a non-risk-adjusted total reserve valuation of \$2,363,046,595.02.

The properties evaluated for the purposes of this reserve estimate are located throughout Texas and produce from various conventional and unconventional reservoirs. The property set includes approximately 11,957 active Proved Developed Producing (PDP) wells with an estimated discounted future net revenue value of \$1,674,619,458.14; 242 Proved Undeveloped (PUD) locations with an estimated discounted future net revenue value of \$314,931,864.49; 1,535 Probable Undeveloped (PROB) locations with an estimated discounted future net revenue value of \$351,384,799.01; 256 Possible Undeveloped (POSS) locations with an estimated discounted future net revenue value of

\$16,182,126.91; and 120 Contingent Resources (CONT) locations with an estimated discounted future net revenue value of \$5,928,346.47. For Proved Reserves, there should be at least a 90 percent probability that the quantities actually recovered will equal or exceed the estimate; for Probable Reserves, there should be at least a 50 percent probability that the quantities actually recovered will equal or exceed the estimate; for Possible Reserves, there should be at least a 10 percent probability that the quantities actually recovered will equal or exceed the estimate. Contingent Resources are potentially recoverable but are not currently considered to be commercially recoverable due to one or more contingencies. Hard minerals are not included in the estimate and are not included in the fair value due to their immateriality.

In accordance with Comptroller Reporting Requirements, the non-risk-adjusted reserve valuation for each component of the total non-risk-adjusted future net revenue value provided by Von Gonten is further adjusted by certain mean factors from the 2020 *Annual Survey of Parameters Used in Property Evaluation* report prepared by the Society of Petroleum Evaluation Engineers (SPEE). Proved developed and Proved undeveloped reserves are adjusted using a factor of 1.00; Probable reserves are adjusted using a factor of 0.35; Possible reserves are adjusted using a factor of 0.18; Contingent resources are excluded. The risk-adjusted mineral reserve valuation is \$2,115,448,785.13.

JOINT VENTURES

The General Land Office is a party to multiple direct single-asset real estate transactions held in its discretionary internally-managed real estate portfolio. A discussion of these can be found in Note 19. The method for determining the fair value of each uses either the income or market approach and Level 3 inputs. The fair values are included in Discretionary Internal Investments in **Table 7** on page 42.

Table 7

INVESTMENT PORTFOLIO AT FAIR VALUE

PERMANENT SCHOOL FUND	Fair Value Hierarchy			Net Asset Value	Fair Value
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs		
Investment Type					
Domestic Equity	\$ 912,012.22	\$	\$	\$	\$ 912,012.22
Investments in Real Assets					
Sovereign Lands			269,566,579.40		269,566,579.40
Discretionary Internal Investments			223,422,000.00		223,422,000.00
Other Lands			135,098,085.79		135,098,085.79
Minerals ^{(1), (2)}			2,115,448,785.13 ⁽⁵⁾		2,115,448,785.13
Investments with External Managers					
Energy				1,164,010,823.17	1,164,010,823.17
Real Estate				1,174,815,265.18	1,174,815,265.18
Infrastructure				1,485,408,584.11	1,485,408,584.11
Total Investments ⁽³⁾	912,012.22	0.00	2,743,535,450.32	3,824,234,672.46	6,568,682,135.00
Cash in State Treasury ⁽⁴⁾					333,780,166.68
Total Investments and Cash in State Treasury					6,902,462,301.68
Consisting of the following:					
Noncurrent Investments					6,568,682,135.00
Total Investments per Exhibits					6,568,682,135.00

⁽¹⁾ Historical cost of investments at August 31, 2020 was: Common Stock \$7,524,402.09; Sovereign Lands \$839,948.38; Discretionary Internal Investments \$155,411,565.51; Other Lands \$44,169,121.56; Minerals \$13,435,612.51; and Investments with External Managers \$4,255,437,869.46.

⁽²⁾ Includes an estimated 1,000,000.00 acres in freshwater rivers.

⁽³⁾ Includes an estimated 1,747,600.00 in excess acreage.

⁽⁴⁾ Cash in State Treasury is managed by the Treasury Operations Division of the Comptroller of Public Accounts of the state of Texas

⁽⁵⁾ Future Net Revenues discounted at 10% and then adjusted for risk factors. A mineral reserve report is prepared annually by external third-party petroleum engineers. Further explanation of the methodology for valuing mineral investments is described in Note 3.

REVERSE PURCHASE AGREEMENTS

Investments in reverse repurchase agreements are authorized by the Tex. Nat. Res. Code Ann., §161.173. This section states, "money may be invested in direct security repurchase agreements made with state or national banks that have main offices or branch offices in this state or with primary dealers as approved by the Federal Reserve System." During fiscal year 2020, the VLB entered into no reverse repurchase agreements. As of August 31, 2020, there are no outstanding reverse repurchase agreements.

SECURITIES LENDING

The VLB is authorized to participate in securities lending transactions by the Tex. Nat. Res. Code Ann. §161.1732, §162.0042, and §164.011.

The VLB, through a Securities Lending Authorization Agreement with its investment custodian and securities lending agent, State Street, lends its securities to broker-dealers and banks pursuant to a loan agreement in exchange for authorized collateral. Authorized collateral includes cash, U.S. government securities,

and irrevocable letters of credit. State Street cannot pledge or sell collateral securities absent a borrower default. Borrowers are required to deliver collateral for each loan equal to: (i) in the case of loaned securities denominated in U.S. dollars or whose primary trading market was located in the U.S., 102 percent of the fair value of the loaned securities; or (ii) in the case of loaned securities not denominated in U.S. dollars or whose primary trading market was not located in the U.S., 105 percent of the fair value of the loaned securities.

The VLB did not impose any restrictions on the amount of loans that State Street made on its behalf during the fiscal year. There were no failures by any borrowers to return loaned securities or pay distributions thereon during the fiscal year. Also, there were no significant violations of legal or contractual provisions and no losses during the fiscal year resulting from the default of any borrowers or State Street. State Street indemnifies the VLB for the value of loaned securities if a borrower defaults and fails to return borrowed securities when due. State Street will utilize collateral held to purchase replacement securities. If the replacement securities have appreciated to a value that exceeds the value of

the collateral held, State Street is responsible for funding the shortfall.

During the fiscal year, VLB and the borrowers maintained the right to terminate all securities lending transactions upon notice. The cash collateral received on each loan was invested, together with the cash collateral of other qualified tax-exempt plan lenders, in a collective investment pool. As of August 31, 2020, the pool had an average duration of 29.37 days and an average weighted maturity of 74.57 days. Because the loans were terminable at will, their duration did not generally match the duration of the investments made with cash collateral. On August 31, 2020, VLB had no credit risk exposure to borrowers. The fair values of collateral held and securities on loan for the VLB as of August 31, 2020, were \$94,577,538.04 and \$93,765,187.27, respectively.

ACCOUNTING AND FINANCIAL REPORTING FOR CERTAIN INVESTMENTS AND FOR EXTERNAL INVESTMENT POOLS

During the fiscal year, cash collateral received on loaned securities was invested at the direction of the VLB in the Securities Lending Quality Trust, a pooled investment vehicle (Fund). Please note the following:

- a. Determining Fair Value. The fair value of investments held by the Fund is based upon valuations provided by a recognized pricing service.
- b. Policy for Utilizing Amortized Cost Method. Because the Fund does not meet the requirements of Rule 2a-7 of the Investment Company Act of 1940, State Street has valued the Fund's investments at fair value for reporting purposes.

- c. Regulatory Oversight. The Fund is not registered with the Securities and Exchange Commission. State Street, and consequently the investment vehicles it sponsors (including the Fund), is subject to the oversight of the Federal Reserve Board and the Massachusetts Commissioner of Banks. The fair value of VLB's position in the Fund is not the same as the value of the Fund shares.
- d. Involuntary Participation. There was no involuntary participation in an external investment pool by the VLB for the fiscal year.
- e. Necessary Information. Not applicable.
- f. Income Assignment. No income from one fund was assigned to another fund by State Street during the fiscal year.

Note 4

SHORT-TERM DEBT

Not applicable.

Table 8

CHANGES IN LONG-TERM LIABILITIES

For the Year Ended August 31, 2020

	Balance			Balance	Amounts Due	
	09-01-2019	Additions	Deductions		08-31-2020	Within One Year
GOVERNMENTAL ACTIVITIES	\$	\$	\$	\$	\$	\$
Employees' Compensable Leave	6,418,849.35	9,056,097.26	8,025,919.28	7,449,027.33	7,449,027.33	0.00
Total, Governmental Activities	6,418,849.35	9,056,097.26	8,025,919.28	7,449,027.33	7,449,027.33	0.00
BUSINESS-TYPE ACTIVITIES						
General Obligation Bonds Payable	2,950,180,000.00	250,000,000.00	254,715,000.00	2,945,465,000.00	216,690,000.00	2,728,775,000.00
Unamortized Premium	3,319,824.50	0.00	3,319,824.50	0.00		0.00
Total, Business-Type Activities	2,953,499,824.50	250,000,000.00	258,034,824.50	2,945,465,000.00	216,690,000.00	2,728,775,000.00
Total, Governmental and Business-Type Activities	2,959,918,673.85	259,056,097.26	266,060,743.78	2,952,914,027.33	224,139,027.33	2,728,775,000.00

Note 5

LONG-TERM LIABILITIES

The changes noted in **Table 8** on page 43 occurred in long-term liabilities during the year ended August 31, 2020.

BONDS PAYABLE

General obligation bonds payable are described in detail in Note 6.

CLAIMS AND JUDGMENTS

Claims and judgments that are settled and unpaid at year-end, and which will be paid with future governmental fund resources, are shown on the statement of net position under long-term liabilities.

CAPITAL LEASE OBLIGATIONS

The agency is not a party to any long-term lease agreements for financing the purchase of capital assets as of August 31, 2020.

EMPLOYEE COMPENSABLE LEAVE

A state employee is entitled to be paid for all unused vacation time accrued in the event of the employee's resignation, dismissal or separation from state employment, provided the employee has had continuous employment with the state for six months. Expenditures for accumulated annual leave balances are recognized in the period paid or taken in governmental fund types. For these fund types, the liability for unpaid benefits is recorded in the Statement of Net Position.

Note 6

BONDED INDEBTEDNESS

AUTHORIZATION

The authorization for the issuance of Veterans Land Board general obligation bonds is granted by the Texas Constitution. Since the program's inception in 1946, a total of \$4,000,000,000.00 in general obligation bond authorization has been granted. **Table 9** on page 45 lists the various tranches of general obligation bond authorization. The authorization for the issuance of Veterans Land Board revenue bonds is granted by Tex. Nat. Res. Code Ann., §164. Revenue bonds issued for a purpose other than buying back or refunding general obligation bonds issued under Tex. Const.,

Article III, §49-b may not in the aggregate exceed \$1,000,000,000.00, of which \$795,720,000.00 remains unissued.

BONDS ISSUED

GENERAL OBLIGATIONS BONDS

During fiscal year 2020, the board issued the following general obligation bonds in the Veterans Housing Assistance Program. Money in the Veterans Housing Assistance Funds I and II is used to fund housing and qualified home improvement loans to eligible Texas veterans. Principal and interest payments on housing assistance loans, plus investment earnings, are the primary sources of repayment for housing assistance bonds.

\$250,000,000 State of Texas Veterans Bonds, Series 2020

Issue Date: January 9, 2020
Sr. Manager: J.P. Morgan
True Interest Cost: Variable-Rate
Net Proceeds: \$249,716,935.00
Costs of Issuance: \$283,065.00

The Series 2020 Bonds were issued to augment the Veterans Housing Assistance Fund II.

DEMAND BONDS

Included in long-term debt are the outstanding principal amounts of several issues of general obligation variable-rate demand bonds backed by the full faith and credit of the state of Texas, as described below. A summary of the liquidity agreements has been provided in **Table 10** on page 46.

\$19,610,000 State of Texas Veterans Housing Assistance Program, Fund II Series 2001A-2 Bonds

The bonds were issued pursuant to a resolution adopted by the board on February 26, 2001, in the original aggregate principal amount of \$20,000,000.00. The proceeds of the bonds were used to fund housing loans to eligible Texas veterans. The bonds are currently in the weekly mode.

While in the weekly mode, the bonds are subject to purchase on any business day upon the demand of the holder at a price equal to the principal amount thereof plus accrued interest, with at least seven calendar days' notice to the board's tender agent, Wells Fargo Bank, National Association. The board's remarketing agent, TD Securities, is authorized to use its best ongoing efforts to sell any purchased bonds at a price equal to the principal amount of such purchased bonds plus accrued interest thereon, if any, to the date of sale.

Under a standby bond purchase agreement between the board and State Street Bank and Trust Company, the tender agent is entitled to request an amount from the liquidity provider sufficient to pay the purchase price of

the bond delivered to it. The liquidity agreement terminates on November 12, 2021. The liquidity provider receives an annual fee of 0.32 percent. As of August 31, 2020, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$23,030,000 State of Texas Veterans’ Housing Assistance Program, Fund II Series 2001C-2 Bonds

The bonds were issued pursuant to a resolution adopted by the board on November 28, 2001, in the original aggregate principal amount of \$25,000,000.00. The proceeds of the bonds were used to fund housing loans to eligible Texas veterans. The bonds are currently in the weekly mode.

While in the weekly mode, the bonds are subject to purchase on any business day upon the demand of the holder at a price equal to the principal amount thereof plus accrued interest, with at least seven calendar days' notice to the board's tender agent, U.S. Bank National Association. The board's remarketing agent, BNY Mellon Capital Markets, LLC, is authorized to use its best ongoing efforts to sell any purchased bonds at a price equal to the principal amount of such purchased bonds plus accrued interest thereon, if any, to the date of sale.

Under a standby bond purchase agreement between the board and State Street Bank and Trust Company, the tender agent is entitled to request an amount from the liquidity provider sufficient to pay the purchase price of the bond delivered to it. The liquidity agreement terminates on September 25, 2023. The liquidity provider receives an annual fee of 0.33 percent. As of August 31, 2020, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$11,915,000 State of Texas Veterans’ Land Bonds, Series 2002

The bonds were issued pursuant to a resolution adopted by the board on January 29, 2002, in the original aggregate principal amount of \$20,000,000.00. The proceeds of the bonds were used to fund land loans to eligible Texas veterans. The bonds are currently in the weekly mode.

While in the weekly mode, the bonds are subject to purchase on any business day upon the demand of the holder at a price equal to the principal amount thereof plus accrued interest, with at least seven calendar days' notice to the board's tender agent, U.S. Bank National Association. The board's remarketing agent, TD Securities, is authorized to use its best ongoing efforts to sell any purchased bonds at a price equal to the principal

Table 9

GENERAL OBLIGATION BONDS	
STATE OF TEXAS VETERANS' HOUSING AND LAND PROGRAMS	
Year of Constitutional Amendments	Increment in Bonds Authorized to Be Issued
	\$
1946	25,000,000
1951	75,000,000
1956	100,000,000
1967	200,000,000
1973	100,000,000
1977	200,000,000
1981	250,000,000
1983	300,000,000
1983	500,000,000
1985	500,000,000
1993	250,000,000
1993	500,000,000
1995	500,000,000
2001	500,000,000
TOTAL	4,000,000,000
\$ 4,000,000,000.00 ⁽¹⁾	Amount Authorized
(144,960,000.00)	Outstanding balance (Land)
<u>(2,800,505,000.00)</u>	Outstanding balance (Housing)
<u>\$ 1,054,535,000.00</u>	Amount remaining to issue

⁽¹⁾ On November 3, 2009, the voters of the State of Texas voted upon an amendment ("the Amendment") to the Constitution of the State that would provide for the Board from time to time to issue general obligation bonds of the State payable from the Housing or Land Fund, provided that the aggregate principal amount of such bonds outstanding does not exceed the aggregate principal amount of such bonds authorized to be issued by prior amendments to the Constitution of the State, which is \$4 Billion.

amount of such purchased bonds plus accrued interest thereon, if any, to the date of sale.

Under a standby bond purchase agreement between the board and State Street Bank and Trust Company, the tender agent is entitled to request an amount from the liquidity provider sufficient to pay the purchase price of the bond delivered to it. The liquidity agreement terminates on July 24, 2023. The liquidity provider receives an annual fee of 0.33 percent. As of August 31, 2020, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

UNAUDITED
Texas General Land Office and Veterans Land Board

Table 10

VETERANS LAND BOARD LIQUIDITY FACILITIES

As of August 31, 2020

Liquidity Provider	Bond Transaction	Available Principal Commitment at 8-31-2020	Liquidity Agreement Expiration Date
TD Bank, N.A.	1) Vet Bonds Series 2016	186,240,000.00	12-18-2024
		<u>186,240,000.00</u>	
Federal Home Loan Bank of Dallas	1) Vet Bonds Series 2014D	76,355,000.00	11-01-2022
	2) Vet Bonds Series 2015B	101,770,000.00	11-01-2022
	3) Vet Bonds Series 2018	236,175,000.00	06-27-2023
	4) Vet Bonds Series 2011C	50,595,000.00	12-18-2024
	5) Vet Bonds Series 2020	249,850,000.00	01-09-2025
		<u>714,745,000.00</u>	
State Street Bank and Trust Company	1) Vet Land Bds Ser 2002	11,915,000.00	07-24-2023
	2) Vet Hsg Fund II Series 2008B	28,050,000.00	07-24-2023
	3) Vet Hsg Fund II Series 2010C	49,175,000.00	07-24-2023
	4) Vet Hsg Fund II Series 2001C-2	23,030,000.00	09-25-2023
	5) Vet Hsg Fund II Series 2004A	18,875,000.00	09-25-2023
	6) Vet Hsg Fund II Series 2005A	21,130,000.00	09-25-2023
	7) Vet Hsg Fund II Series 2005B	20,870,000.00	09-25-2023
	8) Vet Hsg Fund II Series 2007A	25,585,000.00	09-25-2023
	9) Vet Hsg Fund II Series 2008A	26,960,000.00	09-25-2023
	10) Vet Bonds Series 2012A	50,245,000.00	09-25-2023
	11) Vet Hsg Fund II Series 2001A-2	19,610,000.00	11-12-2021
	12) Vet Hsg Fund II Series 2002A-2	27,840,000.00	11-12-2021
	13) Vet Hsg Fund II Series 2003A	18,040,000.00	11-14-2023
	14) Vet Hsg Fund II Series 2003B	19,185,000.00	11-14-2023
	15) Vet Hsg Fund II Series 2004B	21,465,000.00	11-14-2023
	16) Vet Hsg Fund II Series 2006A	24,005,000.00	11-12-2021
	17) Vet Hsg Fund II Series 2006D	25,135,000.00	11-12-2021
	18) Vet Hsg Fund II Series 2007B	26,560,000.00	11-12-2021
	19) Vet Bonds Series 2011A	48,695,000.00	11-12-2021
	20) Vet Bonds Series 2011B	49,680,000.00	11-12-2021
	21) Vet Bonds Series 2012B	65,830,000.00	11-14-2023
	22) Vet Bonds Series 2013A	71,530,000.00	11-14-2023
	23) Vet Bonds Series 2013B	108,320,000.00	11-14-2025
	24) Vet Bonds Series 2014A	112,270,000.00	11-14-2025
	25) Vet Bonds Series 2015A	96,520,000.00	11-14-2023
	<u>1,010,520,000.00</u>		
Sumitomo Mitsui Banking Corporation	1) Vet Bonds Series 2017	205,720,000.00	01-18-2022
		<u>205,720,000.00</u>	
JP Morgan	1) Vet Bonds Series 2019	246,190,000.00	04-10-2024
		<u>246,190,000.00</u>	
Grand Total		<u><u>2,363,415,000.00</u></u>	

\$27,840,000 State of Texas Veterans' Housing Assistance Program, Fund II Series 2002A-2 Bonds

The bonds were issued pursuant to a resolution adopted by the board on June 25, 2002, in the original aggregate principal amount of \$38,300,000.00. The proceeds of the bonds were used to fund housing loans to eligible Texas veterans. The bonds are currently in the weekly mode.

While in the weekly mode, the bonds are subject to purchase on any business day upon the demand of the holder at a price equal to the principal amount thereof plus accrued interest, with at least seven calendar days' notice to the board's tender agent, U.S. Bank National Association. The board's remarketing agent, TD Securities, is authorized to use its best ongoing efforts to sell any purchased bonds at a price equal to the principal amount of such purchased bonds plus accrued interest thereon, if any, to the date of sale.

Under a standby bond purchase agreement between the board and State Street Bank and Trust Company, the tender agent is entitled to request an amount from the liquidity provider sufficient to pay the purchase price of the bond delivered to it. The liquidity agreement terminates on November 12, 2021. The liquidity provider receives an annual fee of 0.32 percent. As of August 31, 2020, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$18,040,000 State of Texas Veterans' Housing Assistance Program, Fund II Series 2003A Bonds

The bonds were issued pursuant to a resolution adopted by the board on December 20, 2002, in the original aggregate principal amount of \$50,000,000.00. The proceeds of the bonds were used to fund housing loans to eligible Texas veterans. The bonds are currently in the weekly mode.

While in the weekly mode, the bonds are subject to purchase on any business day upon the demand of the holder at a price equal to the principal amount thereof plus accrued interest, with at least seven calendar days' notice to the board's tender agent, U.S. Bank National Association. The board's remarketing agent, TD Securities, is authorized to use its best ongoing efforts to sell any purchased bonds at a price equal to the principal amount of such purchased bonds plus accrued interest thereon, if any, to the date of sale.

Under a standby bond purchase agreement between the board and State Street Bank and Trust Company, the tender agent is entitled to request an amount from the liquidity provider sufficient to pay the purchase price of the bond delivered to it. The liquidity agreement terminates on November 14, 2023. The liquidity provider

receives an annual fee of 0.33 percent. As of August 31, 2020, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$19,185,000 State of Texas Veterans' Housing Assistance Program, Fund II Series 2003B Bonds

The bonds were issued pursuant to a resolution adopted by the board on June 26, 2003, in the original aggregate principal amount of \$50,000,000.00. The proceeds of the bonds were used to fund housing loans to eligible Texas veterans. The bonds are currently in the weekly mode.

While in the weekly mode, the bonds are subject to purchase on any business day upon the demand of the holder at a price equal to the principal amount thereof plus accrued interest, with at least seven calendar days' notice to the board's tender agent, U.S. Bank National Association. The board's remarketing agent, TD Securities, is authorized to use its best ongoing efforts to sell any purchased bonds at a price equal to the principal amount of such purchased bonds plus accrued interest thereon, if any, to the date of sale.

Under a standby bond purchase agreement between the board and State Street Bank and Trust Company, the tender agent is entitled to request an amount from the liquidity provider sufficient to pay the purchase price of the bond delivered to it. The liquidity agreement terminates on November 14, 2023. The liquidity provider receives an annual fee of 0.33 percent. As of August 31, 2020, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$18,875,000 State of Texas Veterans' Housing Assistance Program, Fund II Series 2004A Bonds

The bonds were issued pursuant to a resolution adopted by the board on February 26, 2004, in the original aggregate principal amount of \$50,000,000.00. The proceeds of the bonds were used to fund housing loans to eligible Texas veterans. The bonds are currently in the weekly mode.

While in the weekly mode, the bonds are subject to purchase on any business day upon the demand of the holder at a price equal to the principal amount thereof plus accrued interest, with at least seven calendar days' notice to the board's tender agent, U.S. Bank National Association. The board's remarketing agent, BNY Mellon Capital Markets, LLC, is authorized to use its best ongoing efforts to sell any purchased bonds at a price equal to the principal amount of such purchased bonds plus accrued interest thereon, if any, to the date of sale.

Under a standby bond purchase agreement between the board and State Street Bank and Trust Company, the tender agent is entitled to request an amount from the liquidity provider sufficient to pay the purchase price of the bond delivered to it. The liquidity agreement terminates on September 25, 2023. The liquidity provider receives an annual fee of 0.33 percent. As of August 31, 2020, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$21,465,000 State of Texas Veterans' Housing Assistance Program, Fund II Series 2004B Bonds

The bonds were issued pursuant to a resolution adopted by the board on July 29, 2004, in the original aggregate principal amount of \$50,000,000.00. The proceeds of the bonds were used to fund housing loans to eligible Texas veterans. The bonds are currently in the weekly mode.

While in the weekly mode, the bonds are subject to purchase on any business day upon the demand of the holder at a price equal to the principal amount thereof plus accrued interest, with at least seven calendar days' notice to the board's tender agent, Wells Fargo Bank, National Association. The board's remarketing agent, TD Securities, is authorized to use its best ongoing efforts to sell any purchased bonds at a price equal to the principal amount of such purchased bonds plus accrued interest thereon, if any, to the date of sale.

Under a standby bond purchase agreement between the board and State Street Bank and Trust Company, the tender agent is entitled to request an amount from the liquidity provider sufficient to pay the purchase price of the bond delivered to it. The liquidity agreement terminates on November 14, 2023. The liquidity provider receives an annual fee of 0.33 percent. As of August 31, 2020, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$21,130,000 State of Texas Veterans' Housing Assistance Program, Fund II Series 2005A Bonds

The bonds were issued pursuant to a resolution adopted by the board on January 27, 2005, in the original aggregate principal amount of \$50,000,000.00. The proceeds of the bonds were used to fund housing loans to eligible Texas veterans. The bonds are currently in the weekly mode.

While in the weekly mode, the bonds are subject to purchase on any business day upon the demand of the holder at a price equal to the principal amount thereof plus accrued interest, with at least seven calendar days' notice to the board's tender agent, Wells Fargo Bank, N.A. The board's remarketing agent, BNY Mellon Capital

Markets, LLC, is authorized to use its best ongoing efforts to sell any purchased bonds at a price equal to the principal amount of such purchased bonds plus accrued interest thereon, if any, to the date of sale.

Under a standby bond purchase agreement between the board and State Street Bank and Trust Company, the tender agent is entitled to request an amount from the liquidity provider sufficient to pay the purchase price of the bond delivered to it. The liquidity agreement terminates on September 25, 2023. The liquidity provider receives an annual fee of 0.33 percent. As of August 31, 2020, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$20,870,000 State of Texas Veterans' Housing Assistance Program, Fund II Series 2005B Bonds

The bonds were issued pursuant to a resolution adopted by the board on June 23, 2005, in the original aggregate principal amount of \$50,000,000.00. The proceeds of the bonds were used to fund housing loans to eligible Texas veterans. The bonds are currently in the weekly mode.

While in the weekly mode, the bonds are subject to purchase on any business day upon the demand of the holder at a price equal to the principal amount thereof plus accrued interest, with at least seven calendar days' notice to the board's tender agent, Wells Fargo Bank, N.A. The board's remarketing agent, BNY Mellon Capital Markets, LLC, is authorized to use its best ongoing efforts to sell any purchased bonds at a price equal to the principal amount of such purchased bonds plus accrued interest thereon, if any, to the date of sale.

Under a standby bond purchase agreement between the board and State Street Bank and Trust Company, the tender agent is entitled to request an amount from the liquidity provider sufficient to pay the purchase price of the bond delivered to it. The liquidity agreement terminates on September 25, 2023. The liquidity provider receives an annual fee of 0.33 percent. As of August 31, 2020, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$24,005,000 State of Texas Veterans' Housing Assistance Program, Fund II Series 2006A Bonds

The bonds were issued pursuant to a resolution adopted by the board on January 26, 2006, in the original aggregate principal amount of \$50,000,000.00. The proceeds of the bonds were used to fund housing loans to eligible Texas veterans. The bonds are currently in the weekly mode.

While in the weekly mode, the bonds are subject to purchase on any business day upon the demand of the holder at a price equal to the principal amount thereof plus accrued interest, with at least seven calendar days' notice to the board's tender agent, U.S. Bank National Association. The board's remarketing agent, TD Securities, is authorized to use its best ongoing efforts to sell any purchased bonds at a price equal to the principal amount of such purchased bonds plus accrued interest thereon, if any, to the date of sale.

Under a standby bond purchase agreement between the board and State Street Bank and Trust Company, the tender agent is entitled to request an amount from the liquidity provider sufficient to pay the purchase price of the bond delivered to it. The liquidity agreement terminates on November 12, 2021. The liquidity provider receives an annual fee of 0.32 percent. As of August 31, 2020, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$25,135,000 State of Texas Veterans' Housing Assistance Program, Fund II Series 2006D Bonds

The bonds were issued pursuant to a resolution adopted by the board on August 23, 2006, in the original aggregate principal amount of \$50,000,000.00. The proceeds of the bonds were used to fund housing loans to eligible Texas veterans. The bonds are currently in the weekly mode.

While in the weekly mode, the bonds are subject to purchase on any business day upon the demand of the holder at a price equal to the principal amount thereof plus accrued interest, with at least seven calendar days' notice to the board's tender agent, Wells Fargo Bank, National Association. The board's remarketing agent, TD Securities, is authorized to use its best ongoing efforts to sell any purchased bonds at a price equal to the principal amount of such purchased bonds plus accrued interest thereon, if any, to the date of sale.

Under a standby bond purchase agreement between the board and State Street Bank and Trust Company, the tender agent is entitled to request an amount from the liquidity provider sufficient to pay the purchase price of the bond delivered to it. The liquidity agreement terminates on November 12, 2021. The liquidity provider receives an annual fee of 0.32 percent. As of August 31, 2020, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$25,585,000 State of Texas Veterans Housing Assistance Program, Fund II Series 2007A Bonds

The bonds were issued pursuant to a resolution adopted by the board on January 25, 2007, in the original

aggregate principal amount of \$50,000,000.00. The proceeds of the bonds were used to fund housing loans to eligible Texas Veterans. The bonds are currently in the weekly mode.

While in the weekly mode, the bonds are subject to purchase on any business day upon the demand of the holder at a price equal to the principal amount thereof plus accrued interest, with at least seven calendar days' notice to the board's tender agent, U.S. Bank National Association. The board's remarketing agent, BNY Mellon Capital Markets, LLC, is authorized to use its best ongoing efforts to sell any purchased bonds at a price equal to the principal amount of such purchased bonds plus accrued interest thereon, if any, to the date of sale.

Under a standby bond purchase agreement between the board and State Street Bank and Trust Company, the tender agent is entitled to request an amount from the liquidity provider sufficient to pay the purchase price of the bond delivered to it. The liquidity agreement terminates on September 25, 2023. The liquidity provider receives an annual fee of 0.33 percent. As of August 31, 2020, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$26,560,000 State of Texas Veterans Housing Assistance Program, Fund II Series 2007B Bonds

The bonds were issued pursuant to a resolution adopted by the board on May 24, 2007, in the original aggregate principal amount of \$50,000,000.00. The proceeds of the bonds were used to fund housing loans to eligible Texas Veterans. The bonds are currently in the weekly mode.

While in the weekly mode, the bonds are subject to purchase on any business day upon the demand of the holder at a price equal to the principal amount thereof plus accrued interest, with at least seven calendar days' notice to the board's tender agent, Wells Fargo Bank, National Association. The board's remarketing agent, TD Securities, is authorized to use its best ongoing efforts to sell any purchased bonds at a price equal to the principal amount of such purchased bonds plus accrued interest thereon, if any, to the date of sale.

Under a standby bond purchase agreement between the board and State Street Bank and Trust Company, the tender agent is entitled to request an amount from the liquidity provider sufficient to pay the purchase price of the bond delivered to it. The liquidity agreement terminates on November 12, 2020. The liquidity provider receives an annual fee of 0.32 percent. As of August 31, 2020, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$26,960,000 State of Texas Veterans Housing Assistance Program, Fund II Series 2008A Bonds

The bonds were issued pursuant to a resolution adopted by the board on February 28, 2008, in the original aggregate principal amount of \$50,000,000.00. The proceeds of the bonds were used to fund housing loans to eligible Texas Veterans. The bonds are currently in the weekly mode.

While in the weekly mode, the bonds are subject to purchase on any business day upon the demand of the holder at a price equal to the principal amount thereof plus accrued interest, with at least seven calendar days' notice to the board's tender agent, Wells Fargo Bank, N.A. The board's remarketing agent, BNY Mellon Capital Markets, LLC, is authorized to use its best ongoing efforts to sell any purchased bonds at a price equal to the principal amount of such purchased bonds plus accrued interest thereon, if any, to the date of sale.

Under a standby bond purchase agreement between the board and State Street Bank and Trust Company, the tender agent is entitled to request an amount from the liquidity provider sufficient to pay the purchase price of the bond delivered to it. The liquidity agreement terminates on September 25, 2023. The liquidity provider receives an annual fee of 0.33 percent. As of August 31, 2020, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$28,050,000 State of Texas Veterans' Housing Assistance Program, Fund II Series 2008B Bonds

The bonds were issued pursuant to a resolution adopted by the board on July 31, 2008, in the original aggregate principal amount of \$50,000,000.00. The proceeds of the bonds were used to fund housing loans to eligible Texas veterans. The bonds are currently in the weekly mode.

While in the weekly mode, the bonds are subject to purchase on any business day upon the demand of the holder at a price equal to the principal amount thereof plus accrued interest, with at least seven calendar days' notice to the board's tender agent, U.S. Bank National Association. The board's remarketing agent, TD Securities, is authorized to use its best ongoing efforts to sell any purchased bonds at a price equal to the principal amount of such purchased bonds plus accrued interest thereon, if any, to the date of sale.

Under a standby bond purchase agreement between the board and State Street Bank and Trust Company, the tender agent is entitled to request an amount from the liquidity provider sufficient to pay the purchase price of the bond delivered to it. The liquidity agreement

terminates on July 24, 2023. The liquidity provider receives an annual fee of 0.33 percent. As of August 31, 2020, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$49,175,000 State of Texas Veterans Bonds, Fund II Series 2010C

The bonds were issued pursuant to a resolution adopted by the board on July 22, 2010, in the original aggregate principal amount of \$74,995,000.00. The proceeds of the bonds were used to augment the Veterans Housing Assistance Fund II. The bonds are currently in the weekly mode.

While in the weekly mode, the bonds are subject to purchase on any business day upon the demand of the holder at a price equal to the principal amount thereof plus accrued interest, with at least seven calendar days' notice to the board's tender agent, U.S. Bank National Association. The board's remarketing agent, TD Securities, is authorized to use its best ongoing efforts to sell any purchased bonds at a price equal to the principal amount of such purchased bonds plus accrued interest thereon, if any, to the date of sale.

Under a standby bond purchase agreement between the board and State Street Public Lending Corporation, the tender agent is entitled to request an amount from the liquidity provider sufficient to pay the purchase price of the bond delivered to it. The liquidity agreement terminates on July 24, 2023. The liquidity provider receives an annual fee of 0.33 percent. As of August 31, 2020, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$48,695,000 State of Texas Veterans Bonds, Series 2011A

The bonds were issued pursuant to a resolution adopted by the board on January 27, 2011, in the original aggregate principal amount of \$74,995,000.00. The proceeds of the bonds were used to augment the Veterans Housing Assistance Fund II. The bonds are currently in the weekly mode.

While in the weekly mode, the bonds are subject to purchase on any business day upon the demand of the holder at a price equal to the principal amount thereof plus accrued interest, with at least seven calendar days' notice to the board's tender agent, Zions Bancorporation, National Association d/b/a Amegy Bank. The board's remarketing agent, TD Securities, is authorized to use its best ongoing efforts to sell any purchased bonds at a price equal to the principal amount of such purchased

bonds plus accrued interest thereon, if any, to the date of sale.

Under a standby bond purchase agreement between the board and State Street Bank and Trust Company, the tender agent is entitled to request an amount from the liquidity provider sufficient to pay the purchase price of the bond delivered to it. The liquidity agreement terminates on November 12, 2021. The liquidity provider receives an annual fee of 0.32 percent. As of August 31, 2020, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$49,680,000 State of Texas Veterans Bonds, Series 2011B

The bonds were issued pursuant to a resolution adopted by the board on July 28, 2011, in the original aggregate principal amount of \$74,995,000.00. The proceeds of the bonds were used to augment the Veterans' Housing Assistance Fund II. The bonds are currently in the weekly mode.

While in the weekly mode, the bonds are subject to purchase on any business day upon the demand of the holder at a price equal to the principal amount thereof plus accrued interest, with at least seven calendar days' notice to the board's tender agent, U.S. Bank National Association. The board's remarketing agent, TD Securities, is authorized to use its best ongoing efforts to sell any purchased bonds at a price equal to the principal amount of such purchased bonds plus accrued interest thereon, if any, to the date of sale.

Under a standby bond purchase agreement between the board and State Street Bank and Trust Company, the tender agent is entitled to request an amount from the liquidity provider sufficient to pay the purchase price of the bond delivered to it. The liquidity agreement terminates on November 12, 2021. The liquidity provider receives an annual fee of 0.32 percent. As of August 31, 2020, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$50,595,000 State of Texas Veterans Bonds, Series 2011C

The bonds were issued pursuant to a resolution adopted by the board on October 27, 2011, in the original aggregate principal amount of \$74,995,000.00. The proceeds of the bonds were used to augment the Veterans' Housing Assistance Fund II. The bonds are currently in the weekly mode.

While in the weekly mode, the bonds are subject to purchase on any business day upon the demand of the

holder at a price equal to the principal amount thereof plus accrued interest, with at least seven calendar days' notice to the board's tender agent, Wilmington Trust, National Association. The board's remarketing agent, Morgan Stanley & Co. LLP, is authorized to use its best ongoing efforts to sell any purchased bonds at a price equal to the principal amount of such purchased bonds plus accrued interest thereon, if any, to the date of sale.

Under a standby bond purchase agreement between the board and Federal Home Loan Bank of Dallas, the tender agent is entitled to request an amount from the liquidity provider sufficient to pay the purchase price of the bond delivered to it. The liquidity agreement terminates on December 18, 2024. The liquidity provider receives an annual fee of 0.20 percent. As of August 31, 2020, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$50,245,000 State of Texas Veterans Bonds, Series 2012A

The bonds were issued pursuant to a resolution adopted by the board on April 26, 2012, in the original aggregate principal amount of \$74,995,000.00. The proceeds of the bonds were used to augment the Veterans' Housing Assistance Fund II. The bonds are currently in the weekly mode.

While in the weekly mode, the bonds are subject to purchase on any business day upon the demand of the holder at a price equal to the principal amount thereof plus accrued interest, with at least seven calendar days' notice to the board's tender agent, U.S. Bank National Association. The board's remarketing agent, BNY Mellon Capital Markets, LLC, is authorized to use its best ongoing efforts to sell any purchased bonds at a price equal to the principal amount of such purchased bonds plus accrued interest thereon, if any, to the date of sale.

Under a standby bond purchase agreement between the board and State Street Bank and Trust Company, the tender agent is entitled to request an amount from the liquidity provider sufficient to pay the purchase price of the bond delivered to it. The liquidity agreement terminates on September 25, 2023. The liquidity provider receives an annual fee of 0.33 percent. As of August 31, 2020, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$65,830,000 State of Texas Veterans Bonds, Series 2012B

The bonds were issued pursuant to a resolution adopted by the board on July 26, 2012, in the original aggregate principal amount of \$100,000,000.00. The proceeds of the bonds were used to augment the Veterans' Housing

Assistance Fund II. The bonds are currently in the weekly mode.

While in the weekly mode, the bonds are subject to purchase on any business day upon the demand of the holder at a price equal to the principal amount thereof plus accrued interest, with at least seven calendar days' notice to the board's tender agent, Wilmington Trust, National Association. The board's remarketing agent, TD Securities, is authorized to use its best ongoing efforts to sell any purchased bonds at a price equal to the principal amount of such purchased bonds plus accrued interest thereon, if any, to the date of sale.

Under a standby bond purchase agreement between the board and State Street Bank and Trust Company, the tender agent is entitled to request an amount from the liquidity provider sufficient to pay the purchase price of the bond delivered to it. The liquidity agreement terminates on November 14, 2023. The liquidity provider receives an annual fee of 0.33 percent. As of August 31, 2020, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$71,530,000 State of Texas Veterans Bonds, Series 2013A

The bonds were issued pursuant to a resolution adopted by the board on January 24, 2013, in the original aggregate principal amount of \$99,995,000.00. The proceeds of the bonds were used to augment the Veterans' Housing Assistance Fund II. The bonds are currently in the weekly mode.

While in the weekly mode, the bonds are subject to purchase on any business day upon the demand of the holder at a price equal to the principal amount thereof plus accrued interest, with at least seven calendar days' notice to the board's tender agent, U.S. Bank National Association. The board's remarketing agent, TD Securities, is authorized to use its best ongoing efforts to sell any purchased bonds at a price equal to the principal amount of such purchased bonds plus accrued interest thereon, if any, to the date of sale.

Under a standby bond purchase agreement between the board and State Street Bank and Trust Company, the tender agent is entitled to request an amount from the liquidity provider sufficient to pay the purchase price of the bond delivered to it. The liquidity agreement terminates on November 14, 2023. The liquidity provider receives an annual fee of 0.33 percent. As of August 31, 2020, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$108,320,000 State of Texas Veterans Bonds, Series 2013B

The bonds were issued pursuant to a resolution adopted by the board on July 25, 2013, in the original aggregate principal amount of \$149,995,000.00. The proceeds of the bonds were used to augment the Veterans' Housing Assistance Fund II. The bonds are currently in the weekly mode.

While in the weekly mode, the bonds are subject to purchase on any business day upon the demand of the holder at a price equal to the principal amount thereof plus accrued interest, with at least seven calendar days' notice to the board's tender agent, U.S. Bank National Association. The board's remarketing agent, TD Securities, is authorized to use its best ongoing efforts to sell any purchased bonds at a price equal to the principal amount of such purchased bonds plus accrued interest thereon, if any, to the date of sale.

Under a standby bond purchase agreement between the board and State Street Bank and Trust Company, the tender agent is entitled to request an amount from the liquidity provider sufficient to pay the purchase price of the bond delivered to it. The liquidity agreement terminates on November 14, 2025. The liquidity provider receives an annual fee of 0.36 percent. As of August 31, 2020, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$112,270,000 State of Texas Veterans Bonds, Series 2014A

The bonds were issued pursuant to a resolution adopted by the board on January 23, 2014, in the original aggregate principal amount of \$150,000,000.00. The proceeds of the bonds were used to augment the Veterans' Housing Assistance Fund II. The bonds are currently in the weekly mode.

While in the weekly mode, the bonds are subject to purchase on any business day upon the demand of the holder at a price equal to the principal amount thereof plus accrued interest, with at least seven calendar days' notice to the board's tender agent, Wilmington Trust, National Association. The board's remarketing agent, TD Securities, is authorized to use its best ongoing efforts to sell any purchased bonds at a price equal to the principal amount of such purchased bonds plus accrued interest thereon, if any, to the date of sale.

Under a standby bond purchase agreement between the board and State Street Bank and Trust Company, the tender agent is entitled to request an amount from the liquidity provider sufficient to pay the purchase price of

the bond delivered to it. The liquidity agreement terminates on November 14, 2025. The liquidity provider receives an annual fee of 0.36 percent. As of August 31, 2020, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$76,355,000 State of Texas Veterans Bonds, Series 2014D

The bonds were issued pursuant to a resolution adopted by the board on July 24, 2014, in the original aggregate principal amount of \$100,000,000.00. The proceeds of the bonds were used to augment the Veterans' Housing Assistance Fund II. The bonds are currently in the weekly mode.

While in the weekly mode, the bonds are subject to purchase on any business day upon the demand of the holder at a price equal to the principal amount thereof plus accrued interest, with at least seven calendar days' notice to the board's tender agent, U.S. Bank, National Association. The board's remarketing agent, J. P. Morgan Securities LLC, is authorized to use its best ongoing efforts to sell any purchased bonds at a price equal to the principal amount of such purchased bonds plus accrued interest thereon, if any, to the date of sale.

Under a standby bond purchase agreement between the board and Federal Home Loan Bank of Dallas, the tender agent is entitled to request an amount from the liquidity provider sufficient to pay the purchase price of the bond delivered to it. The liquidity agreement terminates on November 1, 2022. The liquidity provider receives an annual fee of 0.20 percent. As of August 31, 2020, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$96,520,000 State of Texas Veterans Bonds, Series 2015A

The bonds were issued pursuant to a resolution adopted by the board on July 24, 2014, in the original aggregate principal amount of \$125,000,000.00. The proceeds of the bonds were used to augment the Veterans' Housing Assistance Fund II. The bonds are currently in the weekly mode.

While in the weekly mode, the bonds are subject to purchase on any business day upon the demand of the holder at a price equal to the principal amount thereof plus accrued interest, with at least seven calendar days' notice to the board's tender agent, U.S. Bank, National Association. The board's remarketing agent, TD Securities, is authorized to use its best ongoing efforts to sell any purchased bonds at a price equal to the principal amount of such purchased bonds plus accrued interest thereon, if any, to the date of sale.

Under a standby bond purchase agreement between the board and State Street Bank and Trust Company, the tender agent is entitled to request an amount from the liquidity provider sufficient to pay the purchase price of the bond delivered to it. The liquidity agreement terminates on November 14, 2023. The liquidity provider receives an annual fee of 0.33 percent. As of August 31, 2020, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$101,770,000 State of Texas Veterans Bonds, Series 2015B

The bonds were issued pursuant to a resolution adopted by the board on July 24, 2014, in the original aggregate principal amount of \$125,000,000.00. The proceeds of the bonds were used to augment the Veterans' Housing Assistance Fund II. The bonds are currently in the weekly mode.

While in the weekly mode, the bonds are subject to purchase on any business day upon the demand of the holder at a price equal to the principal amount thereof plus accrued interest, with at least seven calendar days' notice to the board's tender agent, U.S. Bank, National Association. The board's remarketing agent, J. P. Morgan Securities LLC, is authorized to use its best ongoing efforts to sell any purchased bonds at a price equal to the principal amount of such purchased bonds plus accrued interest thereon, if any, to the date of sale.

Under a standby bond purchase agreement between the board and Federal Home Loan Bank of Dallas, the tender agent is entitled to request an amount from the liquidity provider sufficient to pay the purchase price of the bond delivered to it. The liquidity agreement terminates on November 1, 2022. The liquidity provider receives an annual fee of 0.20 percent. As of August 31, 2020, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$186,240,000 State of Texas Veterans Bonds, Series 2016

The bonds were issued pursuant to a resolution adopted by the board on July 30, 2015, in the original aggregate principal amount of \$250,000,000.00. The proceeds of the bonds were used to augment the Veterans' Housing Assistance Fund II. The bonds are currently in the weekly mode.

While in the weekly mode, the bonds are subject to purchase on any business day upon the demand of the holder at a price equal to the principal amount thereof plus accrued interest, with at least seven calendar days' notice to the board's tender agent, U.S. Bank National Association. The board's remarketing agent, BNY Mellon

Capital Markets, LLC, is authorized to use its best ongoing efforts to sell any purchased bonds at a price equal to the principal amount of such purchased bonds plus accrued interest thereon, if any, to the date of sale.

Under a standby bond purchase agreement between the board and T.D. Bank, N.A., the tender agent is entitled to request an amount from the liquidity provider sufficient to pay the purchase price of the bond delivered to it. The liquidity agreement terminates on December 18, 2024. The liquidity provider receives an annual fee of 0.22 percent. As of August 31, 2020, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$205,720,000 State of Texas Veterans Bonds, Series 2017

The bonds were issued pursuant to a resolution adopted by the board on July 28, 2016, in the original aggregate principal amount of \$250,000,000.00. The proceeds of the bonds were used to augment the Veterans' Housing Assistance Fund II. The bonds are currently in the weekly mode.

While in the weekly mode, the bonds are subject to purchase on any business day upon the demand of the holder at a price equal to the principal amount thereof plus accrued interest, with at least seven calendar days' notice to the board's tender agent, U.S. Bank, National Association. The board's remarketing agent, Jefferies, LLC, is authorized to use its best ongoing efforts to sell any purchased bonds at a price equal to the principal amount of such purchased bonds plus accrued interest thereon, if any, to the date of sale.

Under a standby bond purchase agreement between the board and Sumitomo Mitsui Banking Corporation, the tender agent is entitled to request an amount from the liquidity provider sufficient to pay the purchase price of the bond delivered to it. The liquidity agreement terminates on January 18, 2022. The liquidity provider receives an annual fee of 0.30 percent. As of August 31, 2020, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$236,175,000 State of Texas Veterans Bonds, Series 2018

The bonds were issued pursuant to a resolution adopted by the board on July 27, 2017, in the original aggregate principal amount of \$250,000,000.00. The proceeds of the bonds were used to augment the Veterans' Housing Assistance Fund II. The bonds are currently in the weekly mode.

While in the weekly mode, the bonds are subject to purchase on any business day upon the demand of the holder at a price equal to the principal amount thereof plus accrued interest, with at least seven calendar days' notice to the board's tender agent, UMB Bank, N.A. The board's remarketing agent, Jefferies, LLC, is authorized to use its best ongoing efforts to sell any purchased bonds at a price equal to the principal amount of such purchased bonds plus accrued interest thereon, if any, to the date of sale.

Under a standby bond purchase agreement between the board and Federal Home Loan Bank of Dallas, the tender agent is entitled to request an amount from the liquidity provider sufficient to pay the purchase price of the bond delivered to it. The liquidity agreement terminates on June 27, 2023. The liquidity provider receives an annual fee of 0.20 percent. As of August 31, 2020, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$246,190,000 State of Texas Veterans Bonds, Series 2019

The bonds were issued pursuant to a resolution adopted by the board on July 26, 2018, in the original aggregate principal amount of \$250,000,000.00. The proceeds of the bonds were used to augment the Veterans' Housing Assistance Fund II. The bonds are currently in the weekly mode.

While in the weekly mode, the bonds are subject to purchase on any business day upon the demand of the holder at a price equal to the principal amount thereof plus accrued interest, with at least seven calendar days' notice to the board's tender agent, UMB Bank, N.A. The board's remarketing agent, J.P. Morgan Securities LLC, is authorized to use its best ongoing efforts to sell any purchased bonds at a price equal to the principal amount of such purchased bonds plus accrued interest thereon, if any, to the date of sale.

Under a standby bond purchase agreement between the board and JPMorgan Chase Bank, National Association, the tender agent is entitled to request an amount from the liquidity provider sufficient to pay the purchase price of the bond delivered to it. The liquidity agreement terminates on April 10, 2024. The liquidity provider receives an annual fee of 0.35 percent. As of August 31, 2020, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$249,850,000 State of Texas Veterans Bonds, Series 2020

The bonds were issued pursuant to a resolution adopted by the board on July 30, 2019, in the original aggregate

principal amount of \$250,000,000.00. The proceeds of the bonds were used to augment the Veterans' Housing Assistance Fund II. The bonds are currently in the weekly mode.

While in the weekly mode, the bonds are subject to purchase on any business day upon the demand of the holder at a price equal to the principal amount thereof plus accrued interest, with at least seven calendar days' notice to the board's tender agent, UMB Bank, N.A. The board's remarketing agent, J.P. Morgan Securities LLC, is authorized to use its best ongoing efforts to sell any purchased bonds at a price equal to the principal amount of such purchased bonds plus accrued interest thereon, if any, to the date of sale.

Under a standby bond purchase agreement between the board and Federal Home Loan Bank of Dallas, the tender agent is entitled to request an amount from the liquidity provider sufficient to pay the purchase price of the bond delivered to it. The liquidity agreement terminates on January 9, 2025. The liquidity provider receives an annual fee of 0.20 percent. As of August 31, 2020, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

DEFEASED BONDS OUTSTANDING – LAND

Advance refunding bonds totaling \$716,545,000.00 have been issued to defease Veterans' Land Bonds. At August 31, 2020, \$15,500,000.00 of the defeased bonds remained outstanding. The proceeds of the refundings, together with additional securities and cash owned by the board, were deposited with the board's escrow agents pursuant to the special escrow fund agreements. These agreements provide that the special escrow funds are irrevocably pledged to the payment of principal and interest on the refunded bonds. The escrow agent will retire the remaining defeased debt as it matures. Details of the refunding transactions are outlined in **Table 11** on page 57.

In the opinion of the board's bond counsel, because of the following defeasances, Veterans' Land Bond Series 1949 through 1985B and the 1983 Refunding Bonds in the land program are considered defeased. The securities and cash held by the escrow agents and the related defeased debt have been removed from the accompanying exhibits. The land contracts and remaining investments purchased with Veterans' Land Bond Series 1949 through 1985B Bonds became assets of the 1985, 1986, 1989, 1990, and 1991 Refunding Bonds.

With the issuance of the refunding bonds, all the outstanding Veterans' Land Bond Series 1949 through 1985B were refunded, which released available monies from certain covenants in the resolutions that authorized the issuance of those bonds. The future receipts were pledged by the resolution authorizing the Series 1985, 1986, 1989, 1990, and 1991 Refunding Bonds. In April

1998, the board completed a current refunding of the Series 1985 and 1986 Refunding Bonds with its Series 1998A and 1998B Taxable Refunding Bonds. Thus, upon completion of the 1998 transactions, assets formerly pledged to the Series 1985 and 1986 Refunding Bonds became assets of the Series 1998A and 1998B Taxable Refunding Bonds. In October 1999, the board completed a current refunding of the current interest bond portion of the Series 1989 Refunding Bonds with its Series 1999B Taxable Refunding Bonds. Thus, assets formerly pledged to the Series 1989 Refunding Bonds became assets of the Series 1999B Taxable Refunding Bonds. In November 2000, the board completed a current refunding of the current interest bond portion of the Series 1990 Refunding Bonds with its Series 2000 Taxable Refunding Bonds. Thus, assets formerly pledged to the Series 1990 Refunding Bonds became assets of the Series 2000 Taxable Refunding Bonds. In November 2002, the board completed a current refunding of the current interest bond portion of the Series 1991 Refunding Bonds with its Series 2002 Taxable Refunding Bonds. Thus, assets formerly pledged to the Series 1991 Refunding Bonds became assets of the Series 2002 Taxable Refunding Bonds.

ADMINISTRATION OF LOAN PROGRAMS

Under the Veterans' Land Program, eligible veterans may qualify for a loan of up to \$150,000.00 at an interest rate set by the Veterans Land Board, payable over a 30-year period to purchase not less than one net acre of land in the state of Texas. The loan rate in the program at August 31, 2020 was 7.25 percent. The board may also provide financing for veterans for the purchase of foreclosed land tracts from the board. Higher rates of interest are charged to non-veterans for the purchase of foreclosed land tracts, as permitted by law.

In May 2007, a nationally recognized loan servicing organization began servicing the loans in the Veterans' Land Program.

Texas Senate Joint Resolution 14, 68th Leg., Reg. Sess. (1983), proposed a constitutional amendment for a Veterans' Housing Assistance Program to provide financial assistance to veterans. This amendment, which was approved by the voters on November 8, 1983, authorized the issuance of \$500,000,000.00 in bonds to finance the Veterans' Housing Assistance Program. Tex. S.J. Res. 9, 69th Leg., Reg. Sess. (1985), proposed a constitutional amendment to increase the Veterans' Housing Assistance Program bonding authority by \$500,000,000.00. The voters approved this amendment on November 5, 1985. Tex. S.J. Res. 34, 73rd Leg., Reg. Sess. (1993) proposed a constitutional amendment to increase the Veterans' Housing Assistance Program bonding authority by \$500,000,000.00. The voters approved this amendment on November 2, 1993. Tex. S.J. Res. 32, 74th Leg., Reg. Sess. (1995) proposed a constitutional amendment to increase the Veterans' Housing Assistance Program bonding authority by \$500,000,000.00. The voters approved this amendment on November 7, 1995. Tex. H.J. Res. 82, 77th Leg., Reg. Sess. (2001) proposed a constitutional amendment to increase the Veterans'

Housing Assistance Program bonding authority by \$500,000,000.00. The voters approved this amendment on November 6, 2001.

fund requirements and the reserve fund balances at August 31, 2020, are shown in **Table 16** on page 62.

In January 1984, the Veterans Land Board began providing housing loans. Currently under this program, eligible Texas veterans may qualify for a loan of up to \$510,400.00. The interest rates for these loans are currently reset weekly after the close of business on the last business day of the week at a variable spread below a constructed benchmark that approximates current FHA/VA market interest rates. In May 1986, the Housing Assistance Program was expanded to include home improvement loans. Home improvements loans, which are currently originated by the Veterans Land Board, can be financed for a period of 2 to 20 years for a principal amount of up to \$50,000.00. Interest rates for these loans are currently determined in the same manner and at the same spread as described above.

Nationstar Mortgage is currently the administrator of the Veterans' Housing Assistance Program. Housing loans are originated by Gateway Mortgage Group and are serviced through qualified lending institutions participating in the program. The expenditures related to administering the Veterans' Housing Assistance Program are paid from the receipts of repayments on the loans and other receipts of the Veterans' Housing Assistance Program.

Additional financial information related to the VLB loan programs is available in Note 33 on page 87.

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OUTSTANDING BONDS

Outstanding land and housing assistance general obligation bonds are repaid from land, housing, and home improvement loan principal and interest receipts, and investment earnings. Schedules 2-A through 2-G present bond activity during fiscal year 2020.

A summary of bonds outstanding, excluding unamortized premium, at August 31, 2020, and the issue and final maturity dates are presented in **Table 12** on page 58 and a summary of bond transactions is presented in **Table 13** on page 59.

DEBT SERVICE REQUIREMENTS

Table 14 on page 60 and **Table 15** on page 61 represent principal and interest due on bonds from the period of September 1, 2019, through final maturity on December 1, 2050. The information is disclosed by bond issue and fiscal year, respectively.

RESERVE REQUIREMENTS

Bond resolutions and trust indentures provide for the maintenance of reserve funds for certain series. The reserve funds serve to ensure that interest and/or principal payments will be met on any payment date if available funds are insufficient. Monies in these funds will ultimately be used to retire the last outstanding bonds of each respective issue. The bond reserve

Table 11

DEFEASED BONDS OUTSTANDING – LAND and HOUSING PROGRAMS

	<u>Land Program 1985 Refunding</u>	<u>Land Program 1986 Refunding</u>	<u>Housing Program 2010 Refunding</u>	<u>Total Refunding</u>
Series Defeased	1976-1982	1951-1972A, 1978-1985B, and 1983 Refunding	2001A-1 Refunding 2001C-1 Refunding 2002A-1 Refunding	
Refunding Bonds Issued	\$ 173,760,000.00	\$ 542,785,000.00	\$ 49,995,000.00	\$ 766,540,000.00
Additional Securities and Cash Provided	<u>19,890,121.00</u>	<u>58,781,385.00</u>	<u>5,028,848.78</u>	<u>83,700,354.78</u>
Defeased Debt by Series				
1951-1954A		8,183,000.00		8,183,000.00
1957-1961B		31,820,000.00		31,820,000.00
1968-1972A		87,000,000.00		87,000,000.00
1976-1977	90,000,000.00			90,000,000.00
1978-1982	126,000,000.00	74,000,000.00		200,000,000.00
1983-1985A		250,000,000.00		250,000,000.00
1985B		100,000,000.00		100,000,000.00
1983 Refunding		22,810,000.00		22,810,000.00
2001A-1 Refunding			31,680,000.00	31,680,000.00
2001C-1 Refunding			10,725,000.00	10,725,000.00
2002A-1 Refunding			9,925,000.00	9,925,000.00
Total Defeased Debt	<u>216,000,000.00</u>	<u>573,813,000.00</u>	<u>52,330,000.00</u>	<u>842,143,000.00</u>
Total Retired by Escrow Agent at 8-31-2020	<u>216,000,000.00</u>	<u>558,313,000.00</u>	<u>52,330,000.00</u>	<u>826,643,000.00</u>
Outstanding Defeased Debt	<u>0.00</u>	<u>15,500,000.00</u>	<u>0.00</u>	<u>15,500,000.00</u>
Escrow Agent	Bank of New York Jacksonville, FL	Bank of New York Jacksonville, FL	U.S. Bank, N.A. Dallas, TX	
Final Maturity Date of Series Defeased	2015	2020	2032	

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Table 12

OUTSTANDING BONDS

Issue	Issue Date	Final Maturity Date	Bonds Outstanding 31-2020	08-
			\$	
General Obligation Bonds - Self-Supporting				
<i>Veterans' Housing Bonds</i>				
(Proceeds used to provide housing and home improvement loans to eligible Texas veterans.)				
Vet Hsg Fund II Bds Ser 2001A-2	03-22-2001	12-01-2029	19,610,000.00	
Vet Hsg Fund II Bds Ser 2001C-2	12-18-2001	12-01-2033	23,030,000.00	
Vet Hsg Fund II Bds Ser 2002A-2	07-10-2002	06-01-2033	27,840,000.00	
Vet Hsg Fund II Bds Ser 2003A	03-04-2003	06-01-2034	18,040,000.00	
Vet Hsg Fund II Bds Ser 2003B	10-22-2003	06-01-2034	19,185,000.00	
Vet Hsg Fund II Bds Ser 2004A	04-07-2004	12-01-2034	18,875,000.00	
Vet Hsg Fund II Bds Ser 2004B	09-15-2004	12-01-2034	21,465,000.00	
Vet Hsg Fund II Bds Ser 2005A	02-24-2005	06-01-2035	21,130,000.00	
Vet Hsg Fund II Bds Ser 2005B	08-09-2005	06-01-2036	20,870,000.00	
Vet Hsg Fund II Bds Ser 2006A	06-01-2006	12-01-2036	24,005,000.00	
Vet Hsg Fund II Bds Ser 2006D	09-20-2006	12-01-2036	25,135,000.00	
Vet Hsg Fund II Bds Ser 2007A	02-22-2007	06-01-2037	25,585,000.00	
Vet Hsg Fund II Bds Ser 2007B	06-26-2007	06-01-2038	26,560,000.00	
Vet Hsg Fund II Bds Ser 2008A	03-26-2008	12-01-2028	26,960,000.00	
Vet Hsg Fund II Bds Ser 2008B	09-11-2008	12-01-2038	28,050,000.00	
Vet Hsg Fund II Bds Ser 2010A	02-25-2010	12-01-2031	0.00	
Veterans Bonds Series 2010C	08-20-2010	12-01-2031	49,175,000.00	
Veterans Bonds Series 2011A	03-09-2011	06-01-2041	48,695,000.00	
Veterans Bonds Series 2011B	08-25-2011	12-01-2041	49,680,000.00	
Veterans Bonds Series 2011C	12-15-2011	06-01-2042	50,595,000.00	
Veterans Bonds Series 2012A	05-23-2012	12-01-2042	50,245,000.00	
Veterans Bonds Series 2012B	11-01-2012	12-01-2042	65,830,000.00	
Veterans Bonds Series 2013A	03-20-2013	06-01-2043	71,530,000.00	
Veterans Bonds Series 2013B	08-22-2013	12-01-2043	108,320,000.00	
Veterans Bonds Tax Ref Ser 2013C	10-24-2013	06-01-2031	225,255,000.00	
Veterans Bonds Ser 2014A	02-26-2014	06-01-2044	112,270,000.00	
Veterans Bonds Tax Ref Ser 2014B-1	04-01-2014	12-01-2024	25,765,000.00	
Veterans Bonds Tax Ref Ser 2014B-2	04-01-2014	12-01-2024	0.00	
Veterans Bonds Tax Ref Ser 2014C-1	07-01-2014	12-01-2033	62,050,000.00	
Veterans Bonds Tax Ref Ser 2014C-2	07-01-2014	12-01-2033	135,935,000.00	
Veterans Bonds Ser 2014D	09-10-2014	06-01-2045	76,355,000.00	
Veterans Bonds Ser 2015A	02-11-2015	06-01-2045	96,520,000.00	
Veterans Bonds Ser 2015B	07-22-2015	06-01-2046	101,770,000.00	
Veterans Bonds Ser 2016	01-21-2016	12-01-2046	186,240,000.00	
Veterans Bonds Ser 2017	01-19-2017	12-01-2047	205,720,000.00	
Veterans Bonds Ser 2018	06-28-2018	12-01-2049	236,175,000.00	
Veterans Bonds Ser 2019	04-11-2019	06-01-2050	246,190,000.00	
Veterans Bonds Ser 2020	01-09-2020	12-01-1950	249,850,000.00	
Total, Veterans' Housing Bonds			2,800,505,000.00	
General Obligation Bonds - Self-Supporting				
<i>Veterans' Land Bonds</i>				
(Proceeds used to provide land loans to eligible Texas veterans.)				
Vet Land Bds Ser 2002	02-21-2002	12-01-2032	11,915,000.00	
Vet Land Tax Ref Bds Ser 2014B-3	04-01-2014	12-01-2024	17,285,000.00	
Vet Land Tax Ref Bds Ser 2014C-3	07-01-2014	12-01-2033	51,995,000.00	
Vet Land Tax Ref Bds Ser 2014C-4	07-01-2014	12-01-2033	63,765,000.00	
Total, Veterans' Land Bonds			144,960,000.00	
Total, General Obligation Bonds - Self-Supporting			2,945,465,000.00	

Table 13

BOND TRANSACTIONS

Bond Issue	Bonds Payable	Bonds Issued	Annual Interest	Bonds Matured	Bonds Extinguished by	Par Value Adjustments	Bonds Payable
	09-01-2019		Accretion on Discount Bonds		Defeasance or Redeemed Prior to Maturity		08-31-2020
	\$	\$	\$	\$	\$	\$	\$
General Obligation Bonds - Self-Supporting							
<i>Veterans' Housing Bonds</i>							
Vet Hsg Fund II Bds Ser 2001A-2	20,000,000.00			390,000.00			19,610,000.00
Vet Hsg Fund II Bds Ser 2001C-2	23,465,000.00			435,000.00			23,030,000.00
Vet Hsg Fund II Bds Ser 2002A-2	28,525,000.00			685,000.00			27,840,000.00
Vet Hsg Fund II Bds Ser 2003A	19,650,000.00			1,610,000.00			18,040,000.00
Vet Hsg Fund II Bds Ser 2003B	20,835,000.00			1,650,000.00			19,185,000.00
Vet Hsg Fund II Bds Ser 2004A	20,490,000.00			1,615,000.00			18,875,000.00
Vet Hsg Fund II Bds Ser 2004B	23,195,000.00			1,730,000.00			21,465,000.00
Vet Hsg Fund II Bds Ser 2005A	22,835,000.00			1,705,000.00			21,130,000.00
Vet Hsg Fund II Bds Ser 2005B	22,545,000.00			1,675,000.00			20,870,000.00
Vet Hsg Fund II Bds Ser 2006A	25,545,000.00			1,540,000.00			24,005,000.00
Vet Hsg Fund II Bds Ser 2006D	26,785,000.00			1,650,000.00			25,135,000.00
Vet Hsg Fund II Bds Ser 2007A	27,135,000.00			1,550,000.00			25,585,000.00
Vet Hsg Fund II Bds Ser 2007B	28,340,000.00			1,780,000.00			26,560,000.00
Vet Hsg Fund II Bds Ser 2008A	28,580,000.00			1,620,000.00			26,960,000.00
Vet Hsg Fund II Bds Ser 2008B	29,675,000.00			1,625,000.00			28,050,000.00
Vet Hsg Fund II Bds Ser 2010A	50,910,000.00			2,845,000.00	48,065,000.00		0.00
Veterans Bonds Series 2010C	52,010,000.00			2,835,000.00			49,175,000.00
Veterans Bonds Series 2011A	51,610,000.00			2,915,000.00			48,695,000.00
Veterans Bonds Series 2011B	52,655,000.00			2,975,000.00			49,680,000.00
Veterans Bonds Series 2011C	53,630,000.00			3,035,000.00			50,595,000.00
Veterans Bonds Series 2012A	53,420,000.00			3,175,000.00			50,245,000.00
Veterans Bonds Series 2012B	70,400,000.00			4,570,000.00			65,830,000.00
Veterans Bonds Series 2013A	75,810,000.00			4,280,000.00			71,530,000.00
Veterans Bonds Series 2013B	114,935,000.00			6,615,000.00			108,320,000.00
Veterans Bonds Tax Ref Ser 2013C	248,200,000.00			22,945,000.00			225,255,000.00
Veterans Bonds Series 2014A	119,005,000.00			6,735,000.00			112,270,000.00
Veterans Bonds Tax Ref Ser 2014B-1	36,755,000.00			10,990,000.00			25,765,000.00
Veterans Bonds Tax Ref Ser 2014B-2	4,630,000.00			4,630,000.00			0.00
Veterans Bonds Tax Ref Ser 2014C-1	64,120,000.00			2,070,000.00			62,050,000.00
Veterans Bonds Tax Ref Ser 2014C-2	147,420,000.00			11,485,000.00			135,935,000.00
Veterans Bonds Series 2014D	81,005,000.00			4,650,000.00			76,355,000.00
Veterans Bonds Series 2015A	102,185,000.00			5,665,000.00			96,520,000.00
Veterans Bonds Series 2015B	107,595,000.00			5,825,000.00			101,770,000.00
Veterans Bonds Series 2016	206,560,000.00			20,320,000.00			186,240,000.00
Veterans Bonds Series 2017	226,500,000.00			20,780,000.00			205,720,000.00
Veterans Bonds Series 2018	247,535,000.00			11,360,000.00			236,175,000.00
Veterans Bonds Series 2019	250,000,000.00			3,810,000.00			246,190,000.00
Veterans Bonds Series 2020		250,000,000.00		150,000.00			249,850,000.00
Total, Veterans' Housing Bonds	2,784,490,000.00	250,000,000.00	0.00	185,920,000.00	48,065,000.00	0.00	2,800,505,000.00
General Obligation Bonds - Self-Supporting							
<i>Veterans' Land Bonds</i>							
Vet Land Bds Ser 2002	12,580,000.00			665,000.00			11,915,000.00
Vet Land Tax Ref Bds Ser 2014B-3	23,560,000.00			6,275,000.00			17,285,000.00
Vet Land Tax Ref Bds Ser 2014C-3	55,670,000.00			3,675,000.00			51,995,000.00
Vet Land Tax Ref Bds Ser 2014C-4	73,880,000.00			10,115,000.00			63,765,000.00
Total, Veterans' Land Bonds	165,690,000.00	0.00	0.00	20,730,000.00	0.00	0.00	144,960,000.00
Total, General Obligation Bonds - Self-Supporting	2,950,180,000.00	250,000,000.00	0.00	206,650,000.00	48,065,000.00	0.00	2,945,465,000.00
Total, All Bonds	2,950,180,000.00	250,000,000.00	0.00	206,650,000.00	48,065,000.00	0.00	2,945,465,000.00

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Texas General Land Office and Veterans Land Board

Table 14

DEBT SERVICE REQUIREMENTS BY BOND ISSUE

Bond Issue	Principal	Interest	Total Debt Service
	\$	\$	\$
General Obligation Bonds - Self Supporting			
<i>Veterans' Housing Bonds</i>			
Vet Hsg Fund II Bds Ser 2001A-2	19,610,000.00	4,676,914.98	24,286,914.98
Vet Hsg Fund II Bds Ser 2001C-2	23,030,000.00	9,562,624.58	32,592,624.58
Vet Hsg Fund II Bds Ser 2002A-2	27,840,000.00	8,572,553.72	36,412,553.72
Vet Hsg Fund II Bds Ser 2003A	18,040,000.00	4,015,599.00	22,055,599.00
Vet Hsg Fund II Bds Ser 2003B	19,185,000.00	4,403,312.79	23,588,312.79
Vet Hsg Fund II Bds Ser 2004A	18,875,000.00	181,279.00	19,056,279.00
Vet Hsg Fund II Bds Ser 2004B	21,465,000.00	5,649,996.00	27,114,996.00
Vet Hsg Fund II Bds Ser 2005A	21,130,000.00	5,051,054.76	26,181,054.76
Vet Hsg Fund II Bds Ser 2005B	20,870,000.00	216,772.50	21,086,772.50
Vet Hsg Fund II Bds Ser 2006A	24,005,000.00	7,031,099.54	31,036,099.54
Vet Hsg Fund II Bds Ser 2006D	25,135,000.00	7,809,890.98	32,944,890.98
Vet Hsg Fund II Bds Ser 2007A	25,585,000.00	8,256,837.83	33,841,837.83
Vet Hsg Fund II Bds Ser 2007B	26,560,000.00	8,569,337.60	35,129,337.60
Vet Hsg Fund II Bds Ser 2008A	26,960,000.00	7,972,421.84	34,932,421.84
Vet Hsg Fund II Bds Ser 2008B	28,050,000.00	8,662,029.33	36,712,029.33
Vet Hsg Fund II Bds Ser 2010A	0.00	0.00	0.00
Veterans Bonds Series 2010C	49,175,000.00	11,346,342.89	60,521,342.89
Veterans Bonds Series 2011A	48,695,000.00	13,017,555.81	61,712,555.81
Veterans Bonds Series 2011B	49,680,000.00	12,023,238.23	61,703,238.23
Veterans Bonds Series 2011C	50,595,000.00	10,010,480.57	60,605,480.57
Veterans Bonds Series 2012A	50,245,000.00	8,551,537.20	58,796,537.20
Veterans Bonds Series 2012B	65,830,000.00	9,444,210.16	75,274,210.16
Veterans Bonds Series 2013A	71,530,000.00	13,495,620.00	85,025,620.00
Veterans Bonds Series 2013B	108,320,000.00	23,851,544.68	132,171,544.68
Veterans Bonds Series 2013C	225,255,000.00	40,426,648.27	265,681,648.27
Veterans Bonds Series 2014A	112,270,000.00	24,784,439.56	137,054,439.56
Veterans Bonds Series 2014B-1	25,765,000.00	371,771.80	26,136,771.80
Veterans Bonds Series 2014B-2	0.00	0.00	0.00
Veterans Bonds Series 2014C-1	62,050,000.00	5,687,301.21	67,737,301.21
Veterans Bonds Series 2014C-2	135,935,000.00	5,299,399.66	141,234,399.66
Veterans Bonds Series 2014D	76,355,000.00	15,991,858.47	92,346,858.47
Veterans Bonds Series 2015A	96,520,000.00	16,110,303.25	112,630,303.25
Veterans Bonds Series 2015B	101,770,000.00	20,474,844.19	122,244,844.19
Veterans Bonds Series 2016	186,240,000.00	23,907,421.30	210,147,421.30
Veterans Bonds Series 2017	205,720,000.00	20,041,449.94	225,761,449.94
Veterans Bonds Series 2018	236,175,000.00	43,678,650.66	279,853,650.66
Veterans Bonds Series 2019	246,190,000.00	42,795,170.82	288,985,170.82
Veterans Bonds Series 2020	249,850,000.00	26,493,691.97	276,343,691.97
Total, Veterans' Housing Bonds	<u>2,800,505,000.00</u>	<u>478,435,205.09</u>	<u>3,278,940,205.09</u>
General Obligation Bonds - Self Supporting			
<i>Veterans' Land Bonds</i>			
Vet Land RefBds Ser '99A	0.00	0.00	0.00
Vet Land Bds Ser 2002	11,915,000.00	3,513,100.48	15,428,100.48
Vet Land Tax RefBds Ser 2014B-3	17,285,000.00	275,477.90	17,560,477.90
Vet Land Tax RefBds Ser 2014C-3	51,995,000.00	1,966,873.61	53,961,873.61
Vet Land Tax RefBds Ser 2014C-4	63,765,000.00	1,300,082.27	65,065,082.27
Total, Veterans' Land Bonds	<u>144,960,000.00</u>	<u>7,055,534.26</u>	<u>152,015,534.26</u>
Total, General Obligation Bonds - Self-Supporting	<u>2,945,465,000.00</u>	<u>485,490,739.35</u>	<u>3,430,955,739.35</u>
Total, All Bonds	<u>2,945,465,000.00</u>	<u>485,490,739.35</u>	<u>3,430,955,739.35</u>

Table 15

DEBT SERVICE REQUIREMENTS BY FISCAL YEAR

Fiscal Year	Principal	Interest ⁽¹⁾	Totals
	\$	\$	\$
2021	216,690,000.00	55,587,113.89	272,277,113.89
2022	227,805,000.00	51,557,147.18	279,362,147.18
2023	221,335,000.00	47,416,759.30	268,751,759.30
2024	212,500,000.00	43,305,182.35	255,805,182.35
2025	210,410,000.00	39,255,634.42	249,665,634.42
2026-2030	821,735,000.00	139,630,182.56	961,365,182.56
2031-2035	555,285,000.00	70,234,239.86	625,519,239.86
2036-2040	294,605,000.00	29,461,145.11	324,066,145.11
2041-2045	155,225,000.00	8,084,601.67	163,309,601.67
2046-2050	29,525,000.00	956,834.79	30,481,834.79
2051-2055	350,000.00	1,898.22	351,898.22
Total Debt Service	2,945,465,000.00	485,490,739.35	3,430,955,739.35

⁽¹⁾ Includes estimated interest expense on variable-rate debt.

Note 7

DERIVATIVE INSTRUMENTS

PAY-FIXED, RECEIVE-VARIABLE INTEREST RATE SWAPS

Objective of the swaps. The board is currently a party to 55 pay-fixed, receive-variable interest rate swaps that are associated with 38 variable-rate bond issues. The combination of swaps and variable-rate bonds creates synthetic fixed-rate debt. The use of synthetic fixed-rate debt has historically lowered the board's borrowing costs, as compared to the borrowing costs associated with the issuance of traditional fixed-rate bonds.

Several of the swaps contain a periodic barrier knock-out provision that provides for the board to be "knocked out" of the swaps by the respective counterparties upon the breach of certain predetermined barriers. In each of these cases, the board was paid an up-front option premium by the respective counterparties. Regarding the swap associated with Vet Land Tax Ref Bds Ser 2000 (now a part of Vet Bds Tax Ref Ser 2014B-3), the knock-out is permanent and is optional at the discretion of the counterparty. In the remainder of the swaps with embedded barrier knock-out provisions, the knock-out is mandatory and is periodic in nature, with the knock-out period corresponding only to the period during which the respective barrier is breached.

Terms, fair values, and credit ratings. The terms, fair values, and counterparty credit ratings related to the outstanding variable-to-fixed swaps as of August 31, 2020, are shown in **Table 18** on pages 64 and 65.

PAY-VARIABLE, RECEIVE-VARIABLE INTEREST RATE SWAPS

Objective of the swaps. The board is currently a party to one pay-variable, receive-variable interest rate swap that is associated with one taxable variable-rate bond issue. The swap is a LIBOR-to-SIFMA basis swap, and effectively converts the variable rate on the associated taxable variable-rate bond issue from a LIBOR (taxable) based rate to a SIFMA (tax-exempt) based rate. This swap is expected to generate an effective lower borrowing cost to the board over the life of the swap.

Terms, fair values, and credit ratings. The terms, fair values, and counterparty credit ratings related to the outstanding variable-to-variable swaps as of August 31, 2020, are shown in **Table 19** on page 66. The notional amounts and amortization schedules of the swaps match those of the associated funds.

SWAP TRANSACTIONS

Fair Value. The fair value measurements of the board's swap transactions were calculated by an independent third-party swap advisory consultant using the Income Approach, as described in Statement No. 72 of the Governmental Accounting Standards Board (GASB 72). Using observable inputs from interest rate markets and credit default swap prices, the fair value

Table 16

BOND COVENANT RESERVE REQUIREMENTS

Reserve Type	Reserve Requirement	Investments at Fair Value
	\$	\$
General Obligation Bonds - Self-Supporting		
Veterans' Housing Fund I Bond Reserve	11,006,399.29 ⁽¹⁾	12,441,248.89 ⁽²⁾
Veterans' Housing Assistance Fund I Mortgage Reserve	7,500,000.00 ⁽³⁾	19,111,792.69 ⁽⁴⁾
Total, General Obligation Bonds - Self-Supporting	18,506,399.29	31,553,041.58
Total, All Bonds	18,506,399.29	31,553,041.58

⁽¹⁾ Amount represents the maximum average annual debt service requirement as defined in the bond covenants.

⁽²⁾ For purposes of the Bond Resolutions and federal tax law, the Veterans' Land Board determines reserve sufficiency based on the fair value of the Bond Reserve's investments. For purposes of this calculation, the fair value of investments was determined as of the close of the market on August 31, 2020.

⁽³⁾ The bond covenants require the Home Loan Mortgage Reserve to be 1% of the par amount of the bonds issued. There is no requirement specified for any series issued after 1985.

⁽⁴⁾ Fair values shown are for informational purposes only. After being initially funded, these reserves are considered intact, and no further deposits are required. For purposes of this calculation, the fair value of investments was determined as of the close of the market on August 31, 2020.

measurements are determined based upon the present value of future implied cash flows. Since the inputs to these fair value measurements are observable from market data sources, they constitute Level 2 measurements, as described in GASB 72.

The fair values for interest rate swaps that are considered liabilities of the VLB are developed by considering the contracts as assets of the VLB's counterparties. The VLB is a State of Texas general obligation bond issuer; therefore, in developing the fair value measurements using the present value of future implied cash flows, credit default swap spreads for the State of Texas are used to make a credit valuation adjustment (CVA) to reflect potential non-performance risk by the VLB. For interest rate swaps that are considered assets of the VLB, credit default swap spreads for the relevant counterparties are similarly used to make a CVA to reflect non-performance risk by each of the VLB's counterparties.

For the VLB, the credit default swap spreads that are used in the CVA calculations are for the State of Texas as of August 31, 2020, as reflected in market data from subscription-based sources. The VLB's bonds are reference securities for the State of Texas credit default swaps. For each of the VLB's counterparties, the credit spreads that are used in the CVA calculations are based on credit default swap spreads for each counterparty's parent company as of August 31, 2020, as reflected in market data from subscription-based sources.

Credit risk. The board mitigates the credit risk associated with its swaps by entering into transactions with several highly-rated counterparties. As shown in **Table 18** on pages 64 and 65 and in

Table 19 on page 66, the credit ratings of the board's counterparties range from AA to BBB+ by Standard & Poor's and Aa2 to A3 by Moody's Investors Service.

The board also mitigates its concentration of credit risk by diversifying its swap portfolio across several different counterparties. The board's currently outstanding swaps are spread among ten different counterparties, with no more than approximately 26 percent of the total notional amount of swaps outstanding being associated with any single counterparty.

The board's swap agreements also contain collateralization provisions that require counterparties to post collateral in the full amount of the fair value of the swap if the counterparty's credit rating is at or below various levels, ranging from A+/A1 to BBB+/Baa1, as rated by Standard & Poor's or Moody Investors Service, respectively. Only U.S. government obligations are acceptable forms of collateral. Posted collateral may be held either by the board itself or by a third-party custodian that is rated at least BBB+ by Standard & Poor's or Baa1 by Moody's Investors Service.

Basis risk. The board is exposed to basis risk to the extent that the interest payments on its variable-rate bonds do not match the variable-rate payments received on the associated swaps. The board mitigates this risk by: (1) matching the notional amount and amortization schedule of each swap to the principal amount and amortization schedule of each associated variable-rate bond issue, and (2) selecting an index for the variable-rate leg of each swap that is reasonably expected to closely match the interest

rate resets on the associated variable-rate bonds over the life of each bond issue.

Termination risk. The board or the counterparties may terminate any of the swaps if the other party fails to perform under the terms of the respective swap agreements. The board also has the right to terminate any of the swaps at any time without cause. In addition, the swap associated with the Vet Land Tax Ref Bds Ser 2000 (now a part of Vet Bds Tax Ref Ser 2014B-3), provides the counterparty with the option to terminate the swap under certain conditions. If any of the swaps are terminated, the associated variable-rate bonds would no longer have a synthetic fixed rate, and the board would be subject to interest rate risk to the extent that the variable-rate bonds were not hedged with another swap or with variable-rate assets on the board's balance sheet. Also, if at the time of termination option held by a counterparty, a swap has a negative fair value, the board would owe the respective counterparty a termination payment equal to the swap's fair value.

Rollover risk. The swap associated with the Vet Land Tax Ref Bds Ser 2000 (now a part of Vet Bds Tax Ref Ser 2014B-3), provides the counterparty with the option to terminate the swap under certain conditions at any time. If this swap is terminated through the counterparty's exercise of its option, the associated variable-rate bonds would no longer have a synthetic fixed rate, and the board would be subject to interest rate risk to the extent that the variable-rate bonds were not hedged with another swap or with variable-rate assets on the board's balance sheet. Bonds that are exposed to such rollover risk are shown in **Table 20** on page 66.

Swap payments and associated debt. Using rates as of August 31, 2020, the estimated debt service requirements of the board's variable-rate bonds and associated net swap payments, assuming current interest rates and swap index relationships remain the same for their terms, were as shown in **Table 21** on page 66, and

Table 22 on page 67. As rates and index relationship vary in the future, so will the resulting actual interest payments and net swap payments.

HEDGE EFFECTIVENESS OF DERIVATIVE TRANSACTIONS

Using the consistent critical terms method and the synthetic instrument method described in GASB No. 53, *Hedge Effectiveness Testing of Derivative Transactions*, the board determined that all its pay-fixed, receive-variable interest rate swaps are effective cash flow hedging derivative instruments and thus eligible for hedge accounting treatment. The fair value of those swaps at the end of the fiscal year and the associated change in fair value of those swaps are accounted for as business-type activity in the appropriate *Combined Statement of Net Position – Proprietary Funds as Deferred Inflow of Resources and Deferred Outflow of Resources*. At August 31, 2020, the fair value of swaps determined to be effective cash flow hedging derivative instruments was (\$345,691,403.29), and the change in fair value of those swaps during the fiscal year was (\$69,805,020.29) as shown in **Table 17** below.

All the board's pay-variable, receive-variable interest rate swaps are accounted for as investment derivative instruments. Therefore, the fair value of those swaps at the end of the fiscal year is accounted for as business-type activity in the appropriate *Combined Statement of Net Position – Proprietary Funds as Derivative Instruments*, and the associated change in fair value of those swaps during the fiscal year is accounted for in the appropriate *Combined Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds as a Net Increase (Decrease) in Fair Value of Investments*. At August 31, 2020, the fair value of swaps determined to be derivative investments was (\$216,480.00), and the change in fair value of those swaps during the fiscal year was (\$50,854.09) as shown in **Table 17** below.

Table 17

SUMMARY OF DERIVATIVE INSTRUMENTS

BUSINESS-TYPE ACTIVITIES

Investment Derivatives	Changes in Fair Value		Fair Value at August 31, 2020		Notional Amount
	Classification	Amount	Classification	Amount	
Basis Swaps	Investment Revenue	\$ (50,854.09)	Investment	\$ (97,237.00) ⁽¹⁾	\$ 24,595,000.00
Total, Investment Derivatives		(50,854.09)		(97,237.00)	24,595,000.00
Cash Flow Hedges					
Pay-Fixed, Receive-Variable Interest Rate Swaps	Deferred Outflow	(69,805,020.29)	Debt	(345,691,403.29)	2,686,385,000.00
Interest Rate Swaps	Deferred Inflow	0.00	Debt	0.00	0.00
Total, Cash Flow Hedges		(69,805,020.29)		(345,691,403.29)	2,686,385,000.00
Total, Business-Type Activities		(69,855,874.38)		(345,788,640.29)	2,710,980,000.00

(1) Fiscal year 2020 Investment Derivative Instruments fair value amount will be corrected from \$(97,237.00) to \$(216,480.00) in fiscal year 2021.

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Table 18

PAY-FIXED, RECEIVE-VARIABLE INTEREST RATE SWAPS

Associated Bond Issue	Notional Amount	Effective Date	Fixed Rate Paid	Variable Rate Received
Vet Hsg Fund II Bds Ser 2001A-2	19,610,000	03/22/2001	4.2590%	68% of 1M LIBOR
Vet Hsg Fund II Bds Ser 2001C-2	23,030,000	12/18/2001	4.3650%	68% of 1M LIBOR
Vet Land Bds Ser 2002	11,915,000	02/21/2002	4.1400%	68% of 1M LIBOR
Vet Hsg Fund II Bds Ser 2002A-2	22,845,000	07/10/2002	3.8725%	68% of 1M LIBOR
Vet Hsg Fund II Bds Ser 2003A	18,040,000	03/04/2003	3.3040%	68% of 1M LIBOR
Vet Hsg Fund II Bds Ser 2003B	19,185,000	10/22/2003	3.4030%	64.5% of 1M LIBOR
Vet Hsg Fund II Bds Ser 2004B	21,465,000	09/15/2004	3.6800%	68% of 1M LIBOR
Vet Hsg Fund II Bds Ser 2005A	21,130,000	02/24/2005	3.2790%	68% of 1M LIBOR
Vet Hsg Fund II Bds Ser 2006A	24,005,000	06/01/2006	3.5170%	68% of 1M LIBOR
Vet Hsg Fund II Bds Ser 2006D	25,135,000	09/20/2006	3.6890%	68% of 1M LIBOR
Vet Hsg Fund II Bds Ser 2007A	25,585,000	02/22/2007	3.6450%	68% of 1M LIBOR
Vet Hsg Fund II Bds Ser 2007B	26,560,000	06/26/2007	3.7120%	68% of 1M LIBOR
Vet Hsg Fund II Bds Ser 2008A	26,960,000	03/26/2008	3.1890%	68% of 1M LIBOR
Vet Hsg Fund II Bds Ser 2008B	28,050,000	09/11/2008	3.2250%	68% of 1M LIBOR
Vet Bds Ser 2010C	49,175,000	08/20/2010	2.3095%	68% of 3M LIBOR
Vet Bds Ser 2011A	48,695,000	03/09/2011	2.6750%	68% of 3M LIBOR
Vet Bds Ser 2011B	49,680,000	08/25/2011	2.3670%	68% of 3M LIBOR
Vet Bds Ser 2011C	50,595,000	12/15/2011	1.9170%	68% of 3M LIBOR
Vet Bds Ser 2012A	50,245,000	05/23/2012	1.6920%	68% of 3M LIBOR
Vet Bds Ser 2012B	65,830,000	11/01/2012	1.4470%	68% of 3M LIBOR
Vet Bds Ser 2013A	71,530,000	03/20/2013	1.7000%	68% of 3M LIBOR
Vet Bds Ser 2013B	108,320,000	08/22/2013	2.1450%	68% of 1M LIBOR
Vet Hsg Fund II Tax Ref Bds Ser 2013C	24,875,000	12/01/2006	5.4610%	100% of 1M LIBOR
Vet Hsg Fund II Tax Ref Bds Ser 2013C	24,360,000	12/01/2007	4.6580%	100% of 1M LIBOR
Vet Hsg Fund II Tax Ref Bds Ser 2013C	2,990,000	12/01/2009	6.2200%	100% of 6M LIBOR
Vet Hsg Fund II Tax Ref Bds Ser 2013C	45,530,000	12/01/2009	5.4525%	100% of 6M LIBOR
Vet Bds Ser 2014A	112,270,000	03/03/2014	2.1790%	68% of 1M LIBOR
Vet Hsg Fund I Tax Ref Bds Ser 2014B-1	4,250,000	12/01/2003	5.1900%	100% of 6M LIBOR
Vet Hsg Fund I Tax Ref Bds Ser 2014B-1	9,595,000	06/01/2004	5.4500%	100% of 6M LIBOR
Vet Hsg Fund II Tax Ref Bds Ser 2014B-1 & B-2	-	12/01/2004	5.3480%	100% of 1M LIBOR
Vet Hsg Fund I Tax Ref Bds Ser 2014B-1	6,000,000	12/01/2005	4.9290%	100% of 1M LIBOR
Vet Hsg Fund I/II Tax Ref Bds Ser 2014B-1 & C-2	13,350,000	12/01/2005	5.1450%	100% of 1M LIBOR
Vet Land Tax Ref Bds Ser 2014B-3	5,350,000	12/01/2000	6.1060%	100% of 6M LIBOR
Vet Land Tax Ref Bds Ser 2014B-3	11,935,000	12/01/2005	6.5170%	100% of 6M LIBOR
Vet Hsg Fund I Tax Ref Bds Ser 2014C-1	7,050,000	12/01/2002	4.9100%	100% of 6M LIBOR
Vet Hsg Fund I Tax Ref Bds Ser 2014C-1	17,315,000	08/01/2012	3.7600%	68% of 1M LIBOR
Vet Hsg Fund II Tax Ref Bds Ser 2014C-2	23,960,000	06/01/2006	5.8300%	100% of 1M LIBOR
Vet Hsg Fund II Tax Ref Bds Ser 2014C-2	11,790,000	06/01/2006	5.7900%	100% of 6M LIBOR
Vet Hsg Fund II Tax Ref Bds Ser 2014C-2	48,595,000	06/01/2010	5.4010%	100% of 1M LIBOR
Vet Hsg Fund II Tax Ref Bds Ser 2014C-2	19,600,000	12/01/2010	2.7900%	100% of 1M LIBOR
Vet Land Tax Ref Bds Ser 2014C-3	16,110,000	06/01/2006	6.5400%	100% of 6M LIBOR
Vet Land Tax Ref Bds Ser 2014C-3	11,290,000	12/01/2010	5.2090%	100% of 1M LIBOR
Vet Land Tax Ref Bds Ser 2014C-4	11,310,000	12/01/2002	4.9350%	100% of 6M LIBOR
Vet Land Tax Ref Bds Ser 2014C-4	8,180,000	12/01/2003	5.1230%	100% of 1M LIBOR
Vet Land Tax Ref Bds Ser 2014C-4	10,460,000	12/01/2004	5.4550%	100% of 6M LIBOR
Vet Land Tax Ref Bds Ser 2014C-4	12,440,000	06/01/2006	4.6100%	100% of 6M LIBOR
Vet Land Tax Ref Bds Ser 2014C-4	21,375,000	12/01/2006	6.5130%	100% of 1M LIBOR
Vet Bds Ser 2014D	76,355,000	09/10/2014	1.9395%	68% of 1M LIBOR
Vet Bds Ser 2015A	96,520,000	02/11/2015	1.5100%	68% of 1M LIBOR
VetBds Ser 2015B	101,770,000	07/22/2015	1.7710%	68% of 1M LIBOR
VetBds Ser 2016	186,240,000	12/01/2016	1.5640%	68% of 1M LIBOR
Vet Bds Ser 2017	205,720,000	08/01/2017	1.1750%	68% of 1M LIBOR + 0.085%
Vet Bds Ser 2018	236,175,000	04/01/2019	2.0745%	72% of 1M LIBOR
Vet Bds Ser 2019	246,190,000	12/01/2019	1.8510%	65% of USD Fed Funds + 0.24%
Vet Bds Ser 2020	249,850,000	09/01/2020	1.0847%	65% of USD Fed Funds + 0.24%
Total	\$ 2,686,385,000			

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Knock-out Barrier	Knock-out Type	Knock-out Period	Up-Front Knock-Out Premium Received	Fair Value	Swap Termination Date	Counterparty Credit Ratings
			\$	\$		
N/A	N/A	N/A	N/A	(4,151,947.00)	12/01/2029	BBB+/A3
N/A	N/A	N/A	N/A	(7,678,362.00)	12/01/2033	AA-/Aa2
N/A	N/A	N/A	N/A	(2,932,631.00)	12/01/2032	BBB+/A3
N/A	N/A	N/A	N/A	(6,441,465.00)	06/01/2033	A+/Aa2
N/A	N/A	N/A	N/A	(3,276,506.00)	06/01/2034	A+/Aa2
N/A	N/A	N/A	N/A	(3,572,001.32)	06/01/2034	AA-/Aa2
N/A	N/A	N/A	N/A	(4,604,332.00)	12/01/2034	A+/Aa2
N/A	N/A	N/A	N/A	(4,040,806.00)	06/01/2035	AA-/Aa2
N/A	N/A	N/A	N/A	(5,497,709.00)	12/01/2036	AA/Aa3
N/A	N/A	N/A	N/A	(6,104,491.00)	12/01/2036	A+/Aa3
N/A	N/A	N/A	N/A	(6,381,254.00)	06/01/2037	AA-/Aa2
N/A	N/A	N/A	N/A	(6,623,791.00)	06/01/2038	A+/Aa2
N/A	N/A	N/A	N/A	(5,944,699.00)	12/01/2038	AA/Aa3
N/A	N/A	N/A	N/A	(6,422,460.00)	12/01/2038	AA-/Aa2
N/A	N/A	N/A	N/A	(7,192,977.00)	12/01/2040	BBB+/A3
N/A	N/A	N/A	N/A	(8,656,229.00)	06/01/2041	BBB+/A3
N/A	N/A	N/A	N/A	(7,654,497.00)	12/01/2041	BBB+/A3
N/A	N/A	N/A	N/A	(5,868,598.00)	06/01/2042	AA-/Aa2
N/A	N/A	N/A	N/A	(4,770,571.00)	12/01/2042	AA-/Aa2
N/A	N/A	N/A	N/A	(4,832,315.00)	12/01/2042	AA-/Aa2
N/A	N/A	N/A	N/A	(7,155,044.00)	06/01/2043	AA-/Aa2
N/A	N/A	N/A	N/A	(15,589,235.00)	12/01/2043	AA-/Aa2
1M LIBOR >= 7.00%;	Mandatory	Periodic	2,652,000	(4,671,033.84)	12/01/2026	A+/Aa2
6M LIBOR > 4.00% and SIFMA/LIBOR Ratio > 74%			1,017,500			
1M LIBOR >= 7.00%;	Mandatory	Periodic	934,700	(6,974,510.00)	06/01/2029	A+/Aa2
SIFMA/5Y ISDA CMS > 71%			1,020,000			
6M LIBOR >= 7.00%	Mandatory	Periodic	612,000	(164,571.73)	12/01/2021	A+/Aa2
6M LIBOR >= 7.00%	Mandatory	Periodic	2,740,000	(13,367,044.17)	06/01/2031	A+/Aa2
N/A	N/A	N/A	N/A	(16,698,254.00)	06/01/2044	A+/Aa2
6M LIBOR > 7.00%	Mandatory	Periodic	4,470,000	(110,872.00)	06/01/2021	AA-/Aa2
6M LIBOR >= 7.00%	Mandatory	Periodic	1,442,000	(1,253,783.10)	12/01/2024	A+/Aa2
1M LIBOR >= 7.00%	Mandatory	Periodic	2,594,000	-	06/01/2020	A+/Aa2
1M LIBOR >= 7.00%;	Mandatory	Periodic	484,000	(585,362.35)	12/01/2023	A+/Aa2
6M LIBOR > 4.00% and SIFMA/LIBOR Ratio > 74%			267,000			
1M LIBOR >= 7.00%;	Mandatory	Periodic	1,367,000	(2,015,758.36)	06/01/2026	A+/Aa2
6M LIBOR > 4.00% and SIFMA/LIBOR Ratio > 74%			566,500			
1M LIBOR >= 7.00%	Optional	Permanent	2,700,000	(149,114.36)	12/01/2020	AA-/Aa2
6M LIBOR >= 7.00%	Mandatory	Periodic	1,542,000	(2,385,900.31)	12/01/2026	A+/Aa2
6M LIBOR > 7.00%	Mandatory	Periodic	2,165,000	(569,410.24)	06/01/2023	AA-/Aa2
1M LIBOR >= 7.00%	Mandatory	Periodic	578,750	(4,619,488.87)	12/01/2033	AA/Aa3
1M LIBOR >= 7.00%	Mandatory	Periodic	1,992,000	(4,663,684.85)	12/01/2026	A+/Aa2
6M LIBOR >= 7.00%	Mandatory	Periodic	1,493,000	(2,481,540.34)	12/01/2027	A+/Aa2
1M LIBOR >= 7.00%;	Mandatory	Periodic	2,355,000	(15,460,024.65)	12/01/2031	A+/Aa2
6M LIBOR > 4.00% and SIFMA/LIBOR Ratio > 74%			1,427,000			
N/A	N/A	N/A	N/A	(2,637,966.00)	06/01/2032	AA-/Aa2
6M LIBOR >= 7.00%	Mandatory	Periodic	1,931,000	(4,051,396.60)	12/01/2027	A+/Aa2
1M LIBOR >= 7.00%;	Mandatory	Periodic	465,850	(3,094,211.27)	12/01/2030	A+/Aa2
6M LIBOR > 4.00% and SIFMA/LIBOR Ratio > 74%			208,400			
6M LIBOR >= 7.00%	Mandatory	Periodic	2,785,000	(645,421.54)	12/01/2021	BBB+/A3
1M LIBOR >= 7.00%	Mandatory	Periodic	1,896,000	(762,862.23)	12/01/2023	A+/Aa2
6M LIBOR >= 7.00%	Mandatory	Periodic	2,075,000	(1,359,296.10)	12/01/2024	BBB+/A3
6M LIBOR >= 7.00%	Mandatory	Periodic	886,000	(1,853,526.17)	12/01/2026	AA-/Aa2
1M LIBOR >= 7.00%	Mandatory	Periodic	2,725,000	(5,367,792.89)	12/01/2027	A+/Aa2
N/A	N/A	N/A	N/A	(9,740,102.00)	06/01/2045	AA-/Aa2
N/A	N/A	N/A	N/A	(8,722,047.00)	06/01/2045	BBB+/A3
N/A	N/A	N/A	N/A	(11,793,706.00)	06/01/2046	A+/Aa2
N/A	N/A	N/A	N/A	(14,486,101.00)	12/01/2046	A+/Aa2
N/A	N/A	N/A	N/A	(9,122,274.00)	12/01/2047	A+/Aa3
N/A	N/A	N/A	N/A	(27,850,016.00)	12/01/2049	AA-/Aa2
N/A	N/A	N/A	N/A	(23,778,503.00)	06/01/2050	A+/Aa3
N/A	N/A	N/A	N/A	(8,863,908.00)	12/01/2050	A+/Aa3
			\$ 47,391,700	\$ (345,691,403.29)		

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Table 19

PAY-VARIABLE, RECEIVE-VARIABLE INTEREST RATE SWAPS

Associated Bond Issue	Notional Amount	Effective Date	Variable-Rate Paid	Variable-Rate Received	Fair Value	Swap Termination Date	Counterparty Credit Ratings
Vet Land Tax Bds Ser 2014C-3	\$24,595,000	08/05/2002	131.25% of SIFMA	100% of 1M LIBOR	\$(97,273.00) ⁽¹⁾	12/01/2032	BBB+/A3
Total	24,595,000.00				(97,273.00)		

⁽¹⁾ Fiscal year 2020 fair value amount will be corrected from \$(97,237.00) to \$(216,480.00) in fiscal year 2021.

Table 20

INTEREST RATE SWAPS SUBJECT TO ROLLOVER RISK

Associated Bond Issue	Maturity Date of Bonds	Option Exercise Date	Swap Termination Date
Vet Land Tax Ref Bds Ser 2014B-3	12/01/2020	04/29/2002	12/01/2020

Table 21

**ESTIMATED DEBT SERVICE REQUIREMENTS OF VARIABLE-RATE DEBT
OUTSTANDING AND NET SWAP PAYMENTS - FISCAL YEAR 2020**

Fiscal Year Ending August 31	Variable-Rate Bonds		Interest Rate Swaps, Net	Totals
	Principal	Interest		
	\$	\$	\$	\$
2021	196,780,000.00	5,231,917.75	60,699,208.97	262,711,126.72
2022	205,925,000.00	4,811,656.26	55,582,328.98	266,318,985.24
2023	198,945,000.00	4,325,730.07	50,454,324.67	253,725,054.74
2024	189,570,000.00	3,863,134.92	45,467,229.80	238,900,364.72
2025	186,605,000.00	3,396,447.14	40,505,303.69	230,506,750.83
2026-2030	713,980,000.00	10,280,184.95	133,950,084.55	858,210,269.50
2031-2035	508,635,000.00	5,378,695.00	70,028,888.59	584,042,583.59
2036-2040	300,845,000.00	1,954,985.35	26,910,473.51	329,710,458.86
2041-2045	155,225,000.00	470,844.50	7,115,863.20	162,811,707.70
2046-2050	29,525,000.00	19,239.00	559,759.83	30,103,998.83
2051-2055	350,000.00	157.50	2,710.96	352,868.46
Total	2,686,385,000.00	39,732,992.44	491,276,176.74	3,217,394,169.19

Table 22

**PAY-VARIABLE, RECEIVE-VARIABLE SWAPS:
ESTIMATED DEBT SERVICE REQUIREMENTS OF VARIABLE-RATE DEBT
OUTSTANDING AND NET SWAP PAYMENTS – FISCAL YEAR 2020**

Fiscal Year Ending August 31	Variable-Rate Bonds		Interest Rate	Totals
	Principal	Interest	Swaps, Net	
	\$	\$	\$	\$
2021	1,445,000.00	156,515.27	(8,415.06)	1,593,100.22
2022	1,535,000.00	146,746.38	(7,889.83)	1,673,856.55
2023	1,635,000.00	136,354.65	(7,331.12)	1,764,023.53
2024	1,735,000.00	125,307.28	(6,737.16)	1,853,570.13
2025	1,845,000.00	113,571.51	(6,106.18)	1,952,465.33
2026-2030	11,085,000.00	364,743.36	(19,610.46)	11,430,132.90
2031-2035	5,315,000.00	43,878.04	(3,100.24)	5,355,777.80
2036-2040	0.00	0.00	0.00	0.00
2041-2045	0.00	0.00	0.00	0.00
2046-2050	0.00	0.00	0.00	0.00
2051-2055	0.00	0.00	0.00	0.00
Total	24,595,000.00	1,087,116.49	(59,190.04)	25,622,926.46

Note 8

LEASES

Texas General Land Office is not party to any long-term lease agreements for financing the purchase of capital assets as of August 31, 2020.

Operating leases (leases on assets not recorded in the balance sheet) contain various renewal options, as well as some purchase options. However, due to the nature of the leases, the related assets were not classified as capital assets. Any escalation clauses, sublease rentals, and contingent rentals were considered immaterial to the future minimum lease payments and current rental expenditures.

Included in the expenditures or expenses reported in the financial statements are the amounts of rent paid or due under operating leases as presented in **Table 23** and **Table 24** on the right. Future minimum rental payments under non-cancelable operating leases having an initial term in excess of one year are presented in **Table 25** on page 68.

OPERATING LEASE REVENUE

Included in the revenues reported in the financial statements are operating lease rentals managed by GLO in the amount of \$12,639,408.36. GLO manages several types of operating leases. The need for each specific lease category is based upon the type

Table 23

CURRENT PAYMENTS	
GOVERNMENTAL ACTIVITIES	
Fund Type	Amount
	\$
General Revenue Fund	2,993,221.03
Special Revenue Fund	68,486.73
Permanent Funds	258,565.03
Total, Memorandum Only	3,320,272.79

Table 24

CURRENT PAYMENTS	
BUSINESS TYPE ACTIVITIES	
Fund Type	Amount
	\$
Veterans Financial Assistance Program	300.00
Total, Memorandum Only	300.00

of action proposed (e.g. pier, dock, agriculture, recreational hunting, pipeline, etc.), and the statute under which it will be authorized. **Table 26** on page 68 is a schedule of estimated future lease receipts by lease type, presented in the aggregate, and for

Table 25

FUTURE PAYMENTS	
GOVERNMENTAL ACTIVITIES	
<u>Year Ended August 31</u>	<u>Amount</u>
	\$
2021	2,172,782.20
2022	2,043,530.13
2023	1,755,670.62
2024	528,882.01
2025	<u>514,210.03</u>
Total Future Minimum	
Lease Rental Payments	<u><u>7,015,074.99</u></u>

each of the five succeeding years. The amounts include known lease escalation provisions. Lease categories managed by GLO are summarized as follows:

COMMERCIAL LEASES AND EASEMENTS (LC)

Commercial leases and easements (LC) are issued for projects that produce revenue from the private use of state-owned property. LCs are issued pursuant to Chapters 33 and 51, Texas Natural Resources Code (TNRC), and fees are based on the published School Land Board rate schedule in effect at the time of contract issuance. The rate schedule allows calculation of fees based upon the amount of state land encumbered and the appraised value of the adjacent littoral property. LCs cover activities and structures such as marinas, bait stands, fishing piers, mooring dolphins, fuel

docks, dredging activity, restaurants, and navigation signs. Contract for LCs grant the applicant exclusive use of the site for the purposes specified in the contract.

COASTAL EASEMENTS (CE)

Coastal easements (CE) are issued pursuant to TNRC §33.103(a)(2) and 33.111(a) authorizing owners of private property abutting submerged state-owned lands to place and maintain structures on coastal public land adjacent to their private property. CEs typically cover structures such as piers, decks, docks, rip-rap, pilings, bulkheads, and boat lifts. CEs are also issued for activities such as dredging, filling, and material disposal. Contracts for CEs grant the applicant exclusive use of the structure but not the public land around the structure.

COASTAL LEASES (CL)

Coastal leases (CL) are issued pursuant to TNRC §33.103(1) and 33.105. CLs are issued to state agencies, eligible cities or counties, nonprofit tax-exempt organizations, or scientific or educational entities to authorize the use of state-owned land for public recreation, estuarine preserves, wildlife preserves, or scientific research activities. CLs grant the applicant limited exclusive use of the property for the purposes stated within the contract. GLO may issue other grants of interest for use of the same property, so long as it does not interfere with the current leaseholder's activities.

SURFACE LEASES (SL)

Surface leases (SL) are issued pursuant to TNRC §51.011, 51.121, and 51.292. Coastal SLs are issued for activities on submerged

Table 26

<u>Lease Categories</u>	FUTURE LEASE RECEIPTS FOR NON-CANCELABLE LEASES					
	<u>Fiscal Year 2021</u>	<u>Fiscal Year 2022</u>	<u>Fiscal Year 2023</u>	<u>Fiscal Year 2024</u>	<u>Fiscal Year 2025</u>	<u>Fiscal Years 2026 & Beyond</u>
	\$	\$	\$	\$	\$	\$
Coastal Easements	308,042.42	256,462.88	219,211.00	170,197.46	129,174.09	282,418.19
Coastal Leases	1,244.65	1,244.65	1,244.65	1,244.65	1,244.65	70,945.05
Commercial Leases and Easements	1,663,403.42	1,607,615.36	1,540,083.35	1,253,993.18	1,078,158.26	6,742,035.26
Miscellaneous Easements	248,862.56	298,048.01	281,273.01	271,619.01	221,101.01	265,254.41
Cabin Permit Fees	240,306.16	178,055.80	115,861.20	45,566.80		
Special Documents			1,115.95	1,115.95	1,115.95	
Surface Leases	3,752,714.27	3,511,136.11	3,186,668.18	2,723,092.81	2,392,670.79	23,782,805.67
Alamo Plaza	888,039.28	881,634.94	875,499.93	899,517.96	924,222.81	1,885,228.32
Total Future Lease Receipts	<u><u>7,102,612.76</u></u>	<u><u>6,734,197.75</u></u>	<u><u>6,220,957.27</u></u>	<u><u>5,366,347.82</u></u>	<u><u>4,747,687.56</u></u>	<u><u>33,028,686.90</u></u>

coastal public lands and are typically used to authorize activities not associated with littoral property ownership adjacent to state-owned submerged land, and for energy platforms in the Gulf of Mexico. Examples of activities covered by coastal SLs include, but are not limited to, drilling platforms not on a leased mineral tract, electrical substations, pumping stations, loading racks, tank farms, artificial reefs, and wildlife preserves. Upland SLs typically authorize activities such as grazing, hunting, crop production, timber production, and other commercial activity.

MISCELLANEOUS EASEMENTS (ME)

Miscellaneous easements (ME) are issued on both coastal submerged lands and state-owned uplands tracts for projects which require a right-of-way (ROW) for access across, through, or under state-owned lands, pursuant to TNRC §51.291. Fees are based upon a published rate schedule and are calculated based on the width and length of right-of-way, the region of the state, and the diameter of the pipeline (if applicable). ME contracts cover activities such as oil and gas pipelines, power transmission lines, communication lines, roads, and certain other structures and uses. Contracts for MEs grant the applicant exclusive use of the ROW for the purposes specified in the contract.

Holders of the above leases and easements are required to maintain all structures in a safe condition and to comply with all terms of the contract. Violation of contract terms or failure to submit payment for the required land-use fees may result in delinquent penalties and/or termination of the contract. Removal of the structures may also be required at the expense of the lease/easement holder. Obtaining said leases and easements from GLO does not exempt the applicant from complying with all other applicable local, state, and federal permitting requirements.

SPECIAL DOCUMENTS (SD)

Special documents (SD) are issued for projects on state-owned submerged land and state-owned uplands. The School Land Board has authorized the land commissioner to approve, by SD, erosion response projects administered by GLO pursuant to the Coastal Erosion Planning and Response Act (CEPRA), codified as TNRC, Chapter 33, Subchapter H, and the regulations set forth in Texas Administrative Code, Title 31, Chapter 15, Subchapter B. SDs are also issued for Highway Use Agreements under Chapter 203, Subchapter D, Texas Transportation Code for Texas Department of Transportation projects on land dedicated to the permanent school fund. SDs may also be used for projects that do not fall into one of the other established categories.

CABIN LEASES (PC)

Cabin leases (PC) are issued pursuant to Title 31, Chapter 155, §155.4 of the Texas Administrative Code and Chapter 33 of the TNRC. PCs authorize non-commercial use and maintenance of the cabin and associated structures on coastal public land not connected with ownership of littoral property. Permits are issued to individuals or groups for the exclusive use of the structure, but not the public land around the structure.

ALAMO PLAZA

Alamo Plaza leases are commercial leases within the Crockett, Palace and Woolworth buildings located in San Antonio, Texas. The lease income provides revenue to support the function and mission of the Alamo. It includes office, retail and restaurant space.

LEASING ACTIVITY

All PSF lands are evaluated for lease potential. The historical cost of all internally managed properties is \$200,420,635.45. The fair value of the properties is \$628,086,665.19. Sovereign and non-sovereign real estate in the permanent school fund is held as an investment and is not depreciated. For depreciable assets that have leases, the historical cost and accumulated depreciation of buildings is \$11,021,574.20 and (\$2,260,674.72) respectively, with a carrying value of \$8,760,899.48.

Contingent rental revenues from 4 leases in the amount of \$270,907.92 are reported as of August 31, 2020.

In response to market conditions as a result of the global Coronavirus pandemic, the agency offered short-term lease abatement and deferral options for qualifying leases during fiscal year 2020. Lease abatements and deferrals totaled \$46,621.82 and \$1,710.00 respectively as of August 31, 2020.

Note 9

DEFINED BENEFIT PENSION AND DEFINED CONTRIBUTION PLANS

Not applicable.

Note 10

DEFERRED COMPENSATION

Not applicable.

Note 11

POST EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

Not applicable.

Note 12

INTERFUND ACTIVITY AND TRANSACTIONS

As explained in Note 1 on interfund transactions and balances, there are numerous transactions between funds and agencies. At fiscal year-end, amounts to be received or paid are reported as interfund receivables or interfund payables, due from or due to other funds, due from or due to other agencies, transfers in or transfers out, or legislative transfers in or legislative transfers out.

Net operating transfers in Exhibits II and IV, and due to and due from balances in Exhibits I and III represent the transfer of funds from proprietary funds and the corpus of the permanent school fund to governmental funds to support administrative expenses of the Texas General Land Office.

Note 13

CONTINUANCE SUBJECT TO REVIEW

Texas Constitution Article XIV, §1 established the Texas General Land Office, and Texas Constitution Article IV, §1 created the office of commissioner of the Texas General Land Office. Therefore, the agency is not subject to abolishment.

The 86th Legislature, Regular Session passed Senate Bill 608, effective September 1, 2019, which amends section 32.003 of the Texas Natural Resource Code to read as follows: "Sec. 32.003. APPLICATION OF SUNSET ACT. The School Land Board (SLB) is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the board is abolished September 1, 2031."

The legislature abolished all other boards for lease except for the Boards for Lease for University Lands, Texas Parks and Wildlife Department, and Texas Department of Criminal Justice. The

School Land Board handles the functions of the abolished boards for lease. The land commissioner serves as chairman of the School Land Board and each of the remaining boards for lease.

Under Texas Natural Resource Code, Section 161.0111, the Veterans Land Board (VLB) is subject to review under Chapter 325, Government Code (Texas Sunset Act), but is not abolished under that chapter. The Texas Sunset Commission reviewed the VLB during fiscal year 2018. The VLB shall be reviewed every 12th year thereafter.

Note 14

ADJUSTMENTS TO FUND BALANCES AND NET POSITION

During fiscal year 2020, adjustments and corrections were made that required the restatement of beginning fund balance and net position. These restatements and adjustments are presented in **Table 27** on page 71.

GOVERNMENTAL FUNDS AND GOVERNMENTAL ACTIVITIES

GENERAL FUND

No adjustments were made in 2020.

PERMANENT SCHOOL FUND

No adjustments were made in 2020.

GOVERNMENTAL ACTIVITIES

Restatements of (\$4,000) and \$4,000 were made to capital asset accounts within Fund 0998 relating to the disposal of a fully-depreciated asset in a prior year, with no net impact upon fund balance or net position.

BUSINESS TYPE ACTIVITIES

Net restatements to nonmajor enterprise funds amounted to (\$341,371.90) and were made entirely within Fund 0571. Activity consisted of net adjustments to land loans receivable in the amount of \$2,895,857.82, and net adjustments to restricted cash in the amount of (\$3,237,229.72).

DISCRETELY PRESENTED COMPONENT UNIT

No adjustments were made in fiscal year 2020.

Table 27

RESTATEMENT TO FUND BALANCE AND NET POSITION

	September 1, 2019, As Previously Reported	Restatements	September 1, 2019, As Restated
GOVERNMENTAL FUNDS AND GOVERNMENTAL ACTIVITIES			
Major Funds:			
General Fund	100,554,560.97	0.00	100,554,560.97
Permanent School Fund	12,281,773,157.34	0.00	12,281,773,157.34
Total Major Funds	12,382,327,718.31	0.00	12,382,327,718.31
Nonmajor Funds:			
Special Revenue Funds	902,112.25	0.00	902,112.25
Total Nonmajor Funds	902,112.25	0.00	902,112.25
Governmental Activities Adjustments:			
Capital Assets	62,999,331.67		62,999,331.67
Long-Term Liabilities	(6,418,849.35)	0.00	(6,418,849.35)
Total Governmental Act. Adj.	56,580,482.32	0.00	56,580,482.32
Total Governmental Activities	12,439,810,312.88	0.00	12,439,810,312.88
BUSINESS TYPE ACTIVITIES			
Nonmajor Funds:			
Enterprise Funds	809,835,222.48	(341,371.90)	809,493,850.58
Total Nonmajor Funds	809,835,222.48	(341,371.90)	809,493,850.58
Total Business Type Activities	809,835,222.48	(341,371.90)	809,493,850.58
COMPONENT UNITS			
Discretely Presented Component Units	0.00	0.00	0.00
Total Component Units	0.00	0.00	0.00
Total Component Units	0.00	0.00	0.00
TOTAL REPORTING ENTITY	13,249,645,535.36	(341,371.90)	13,249,304,163.46

Note 15

CONTINGENCIES AND COMMITMENTS

SIGNIFICANT COMMITMENTS

ARBITRAGE REBATE PAYABLE

Earnings on portions of Vet Hsg Bds Reserve Fund, Vet Hsg Bds Mortgage Reserve Fund, and all of Vet Hsg Fund II Bds Ser 2001A-2, 2001C-2, 2002A-2, 2003A, 2003B, 2004A, 2004B, 2005A, 2005B, 2006A, 2006D, 2007A, 2007B, 2008B, 2009A, 2009B, 2010A, 2010C, 2011A, 2011B, 2011C, 2012A, 2012B, 2013A, 2013B, 2014A, 2014D, 2015A, 2015B, 2016, 2017, 2018, 2019, 2020, and Vet Land Bds Ser 2002, are subject to provisions of §148(f) of the Internal Revenue Code of 1986, as amended, pertaining to the rebate of certain profits realized through the investment of bond proceeds. Any rebate liability is payable five years after the date

of issuance of each bond issue subject to the provisions and after each subsequent five-year period thereafter. As of August 31, 2020, there is no rebate liability.

CONTRACTUAL COMMITMENTS

At August 31, 2020, the School Land Board (SLB) had approximately \$2.73 billion in unfunded capital commitments outstanding to external investment managers.

CONTINGENCIES

FEDERAL ASSISTANCE

Texas General Land Office 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.

INVESTMENT INCENTIVE COMPENSATION PLAN

The Performance Incentive Compensation Pay Plan (Plan) for fiscal year 2020 was adopted by Texas Land Commissioner, George P. Bush, and Chief Clerk Mark Havens, to cover the plan year effective July 1, 2020 through June 30, 2021. The Plan enables the agency to remain competitive in its efforts to attract, retain, and motivate high caliber investment staff. The purpose of the Plan is to provide the opportunity for investment division employees to earn incentive pay based on the GLO-managed portion of the Permanent School Fund investment portfolio's performance and the investment division employees' job performance. Any earned performance incentive compensation pay is paid over the subsequent two-year period. For the Plan year that ended June 30, 2020, the outstanding liability is estimated not to exceed \$230,320.27. Payments for the 2020 Plan will occur after the end of the Plan year. A portion of the incentive compensation can only be earned and paid following a year in which the GLO-managed portion of the Permanent School Fund investment portfolio experienced a positive return. In addition, division employees must remain employed by the GLO up to and on the dates designated in the Plan in order to earn and receive payment. The Executive Compensation Committee may cancel or modify the Plan at any time.

CLAIMS

As of August 31, 2020, certain lawsuits were pending against the state and/or the commissioner of the Texas General Land Office. The following lawsuits are pending and may represent contingent liabilities:

Alamo Defenders Descendants Association, et al. v. GLO, et al.

Plaintiffs seek declaratory and injunctive relief, seeking to enjoin defendants from 1) issuing/using Antiquities Permits without full compliance with applicable laws, including in-depth and comprehensive archaeological investigation as mandated by the Antiquities Code; 2) operating under the existing human remains protocols; 3) failing to perform DNA testing on current and future remains material discovered, with full timely disclosure of results to all interested parties; 4) removing any funerary monuments, including the Cenotaph; 5) performing any construction, site work demolition or proceeding with the project without a cemetery management plan compliant with the Texas Health and Safety Code, the Antiquities Code and the TAC; 6) failing to comply with the aforementioned Codes and/or 7) removing any human remains or associated funerary objects from the site. Petition and Application for TRO and TI filed November 12, 2019; December hearing on TRO/TI and jurisdictional pleas passed: pleas heard January 7, 2020; granted April 23, 2020; motion for new trial filed May 8, 2020. Appeal noticed July 20, 2020; transferred to the 8th Court of Appeals; by extension, ADDA brief is due October 18, 2020. The

probability of liability is remote. The possible final amount of loss is indeterminable at this time.

ALLCO, LLC v. GLO & Bush, as Land Commissioner

In the context of administering the State of Texas CDBG-DR funding allocated by HUD for Hurricane Harvey victims, the GLO and Commissioner Bush have been sued for breach of contract. In addition to actual damages, Plaintiff also seeks declaratory and injunctive relief. Petition filed July 21, 2020; TRO granted and entered July 22, 2020. Venue transfer motion filed July 31, 2020, to be heard at a later date; after August 6, 2020 TI hearing, court ruled that injunction should issue only through August 31, 2020 and only as to homes at 90% or greater completion – as to which, the parties agreed on a list of ten homes. The probability of liability is possible. The possible final amount of loss is indeterminable at this time.

Alvarez v. GLO

Pursuant to a TWC Notice of Right to Sue, Plaintiff seeks damages, equitable and injunctive relief alleging wrongful retaliatory termination (discrimination complaints). Petition filed November 28, 2018; answered December 26, 2018. Discovery is in progress. The probability of liability is reasonably possible. The possible final amount of loss is indeterminable at this time.

Besser v. GLO, et al.

Pursuant to an EEOC Notice of Right to Sue, Plaintiff additionally named Commissioner Bush in his official capacity and GLO Director of Contract Management Kelly McBride in a Suit seeking damages from alleged FMLA and ADA violations, equitable relief and attorney fees. Complaint filed October 23, 2017; Motion to Dismiss filed January 8, 2018 in lieu of answer. First Amended Complaint filed January 22, 2018, adding as Defendants former GLO employees Kalani Hawks and Anne Idsal. Amended Motion to Dismiss filed February 5, 2018; Response filed February 20, 2018; Reply filed February 27, 2018. By order issued March 15, 2018; all claims dismissed. Besser noticed his appeal on April 9, 2018; briefed in full as of October 8, 2018. The probability of liability is reasonably possible. The possible final amount of loss is indeterminable at this time.

BHP Billiton Petroleum Properties, (N.A.), LP v. Rio Oil & Gas (Permian) II, LLC

State issued deep rights lease to Defendant; Plaintiff filed suit to quiet title on its belief that it retained some of same through a pooling agreement. Petition filed April 4, 2019; GLO petition in intervention filed June 14, 2019; summary judgment hearing held August 6, 2020; trial continued to March 17, 2021. The probability of liability is reasonably possible. The possible final amount of loss is indeterminable at this time.

City of Houston v. GLO & Bush, as Land Commissioner

City of Houston sued for breach of its CDBG-DR Subrecipient contract, seeking to enjoin the GLO and Commissioner Bush from amending the State Action Plan to, once HUD-approved, eliminate all funding to the City under the existing Agreement

and transfer all responsibility for administering disaster assistance to City residents to the GLO. Petition filed July 8, 2020; after two-day hearing, district court granted TI and denied Defendants' plea on July 22, 2020, and Defendants noticed their appeal that same day. City of Houston sought emergency relief from the 3rd Court of Appeals under Texas Rule of Appellate Procedure 29.3 to preclude the State's appeal from superseding the TI, which the Court of Appeals granted on July 31, 2020, reinstating the injunction pending further court order. State's Supreme Court mandamus petition filed August 5, 2020; Houston response filed September 14, 2020. State's motion for temporary relief filed at the Supreme Court on August 6, 2020; granted August 21, 2020, staying the Court of Appeals' reinstatement order. Third Court appeal briefed in full as of August 27, 2020; City's response to the mandamus petition filed September 13, 2020. The probability of liability is possible. The possible final amount of loss is indeterminable at this time.

Cook v. Bentsen, et al.

Plaintiff filed suit to quiet title, also alleging conversion and bringing a turnover action as to royalty payments and further seeks declaratory relief related to property in Starr County. Petition filed October 8, 2019; Answer and jurisdictional plea filed May 26, 2020; partial summary judgment hearing held August 4, 2020; granted August 17, 2020; Non-State Defendants filed a supplemental summary judgment motion on August 26, 2020 and noticed the hearing for October 13, 2020. The probability of liability is possible. The possible final amount of loss is indeterminable at this time.

Fleming v. Bush, in his Capacity as Texas Land Commissioner

Plaintiff seeks judgment for title to and possession of identified real property in Nueces County, as well as declarations 1) that the title claimed by Land Commissioner Bush, if any, is invalid and 2) establishing property boundaries. Petition filed July 18, 2018; Answer and jurisdictional plea filed August 17, 2018. Jurisdictional plea/summary judgment motion filed January 15, 2019. On February 4, 2019, Fleming filed an amended petition and a jurisdictional plea/summary judgment response; Commissioner's reply filed February 8, 2019; hearing held February 11, 2019 and motion taken under advisement. The probability of liability is remote. The possible final amount of loss is indeterminable at this time.

Hudspeth County v. GLO & Bush, as Land Commissioner

Suit for taking (GLO) and trespass to try title (Commissioner) in context of minerals (sand, gravel, limestone, igneous rock) produced pursuant to mining lease with Desert Rock Co. to which Plaintiff lays claim and alleges it has not been compensated for. Petition filed July 3, 2018; Answer and jurisdictional plea filed August 1, 2018. Summary judgement motion filed in support of Commissioner's plea hearing held May 9, 2019. The probability of liability is reasonably possible. The possible final amount of loss is indeterminable at this time.

Jarvis v. GLO, et al.

Pursuant to an EEOC Notice of right to sue, Plaintiff sued for unspecified damages and court costs, alleging employment discrimination/retaliation based on a complaint she made to GLO Human Resources which she alleges led to her subsequent resignation. Complaint filed May 8, 2018; 12(b)(6) Motion to Dismiss filed May 21, 2018; in lieu of answer; Amended Complaint filed June 4, 2018; responsive 12(b)(6) filed June 19, 2018; Jarvis' response in opposition filed July 9, 2018; reply filed July 24, 2018. Second Amended Complaint filed September 21, 2018; responsive 12(b)(6) filed October 8, 2018; Plaintiff's response in opposition filed October 26, 2018; reply filed November 9, 2018. Hearing held January 10, 2019 on GLO's 12(b)(6) dismissal motion; on February 11, 2019, Jarvis filed court-ordered summary judgment briefing solely on limitations; briefed in full as of February 21, 2019. Wholesale denial of 12(b)(6) dismissal motion by magistrate recommendation issued April 9, 2019; GLO objections filed April 23, 2019. On June 12, 2019, the district court judge overruled the GLO's objections and adopted the magistrate's memorandum and recommendation in full, dismissing the 12(b)(6) motion entirely. GLO summary judgment motion filed August 28, 2020; trial reset for December 2020. The probability of liability is reasonably possible. The possible final amount of loss is indeterminable at this time.

Lone Oak Club, LLC v. Jerry Patterson, et al.

Plaintiff filed a trespass to try title suit, asserting ownership to certain property involving the tidally influenced boundary in Chambers County, and alleging that the Commissioner, through ultra vires acts, has wrongfully asserted jurisdiction, title and right to possession and control over watercourses or navigable streams on said properties; has been encouraging the general public to commit trespass and hunt without consent on the properties and streambeds and has unreasonably interfered with Plaintiff's rights to possession, use, control and quiet enjoyment. Plaintiff seeks title and possession of the disputed property, pre- and post-judgment interest and reasonable attorney's fees. Lone Oak's Motion to Retain was granted November 19, 2015. On April 14, 2016, Plaintiff filed a motion to substitute counsel and subsequently substituted Commissioner Bush for Patterson and non-suited all other remaining Defendants. Rule 166 Conference held June 30, 2016: claims related to all, but one tract severed and abated. On October 26, 2016, the court granted Lone Oak's summary judgment motion, denying the Commissioner's motion. Judgment entered January 26, 2017, following hearing on same. GLO noticed appeal on February 24, 2017; assigned to 1st Court of Appeals. Briefed in full as of November 22, 2017; submitted on briefs January 30, 2018; affirmed via Opinion issued February 22, 2018. Supreme Court petition filed June 8, 2018; court-requested response filed August 20, 2018; Reply filed November 5, 2018. Merits briefing requested: fully briefed on merits as of May 20, 2019; submitted September 17, 2019 post-oral argument. Opinion issued April 24, 2020 reversing summary judgment in favor of Lone Oak and remanding for further district court proceedings. The probability of liability is reasonably possible. The possible final amount of loss is indeterminable at this time.

Signal Drilling, LLC, et al. v. New-Tex Operating, LLC, et al.

Plaintiff sued for injunctive relief and compensation for alleged interest in oil, gas, and mineral leases. Answer filed October 26, 2015. On December 4, 2015, New-Tex Defendants filed a First Amended Answer and a Second Amended Counterclaim. On December 24, 2015, Signal propounded discovery on the agency and filed a Second Amended Petition and Applications for Receivership and Injunctive Relief, in which Jaten Oil Company is also named as a Plaintiff and multiple causes of action are alleged as against the GLO and Commissioner Bush. On January 15, 2016, the GLO filed its First Amended Answer/Jurisdictional Plea. On March 21, 2016, the court granted without hearing an opposed motion for continuance on the GLO's plea hearing, previously reset for March 23, 2016. On April 19, 2016, the agency filed a First Amended Motion for Protective Order in response to Signal's attempt to serve a second set of discovery requests; GLO's plea hearing reset for June 8, 2016. On June 7, 2016, the court signed an order as to Signal's nonsuit without prejudice of all claims against the GLO and Commissioner Bush. On September 8, 2016, the GLO filed its jurisdictional plea as to Jaten/Riparia claims, noticing a hearing for October 19, 2016. On September 29, 2016, Signal filed a motion for partial summary judgment as against the New-Tex Defendants, also to be heard October 19, 2016. On October 13, 2016, the court signed an order on Jaten/Riparia's nonsuit without prejudice of all claims against the State, the GLO and Commissioner Bush, removing all State Defendants from the litigation and mooted the need for the October 19th jurisdictional plea hearing. On November 22, 2016, the New-Tex Defendants filed a motion to dismiss (absence of the State as an indispensable party) and a partial summary judgment motion for a declaration that the subject Jaten Top Lease is void as violative of the rule against perpetuities. On December 8, 2016, Signal filed a Third Amended Petition, naming Ponderosa Operating, LLC and Ponderosa Energy, LLC as defendants, to which New-Tex allegedly assigned its (subject) leasehold interest effective as of May 1, 2016. Ponderosa Energy filed its answer on December 26, 2016, denying property ownership and arguing indispensability of the State as necessary party. On January 26, 2017, Ponderosa Operating, LLC filed a plea in abatement. On February 21, 2017, Signal filed its First Supplemental Petition and Application for Declaratory Relief, seeking in part to bring the State and Commissioner Bush back into the litigation (not seeking "to (re)assert affirmative claims for relief against the [GLO], but rather merely add them ... as a necessary and indispensable party"); and Ponderosa Operating, LLC filed an amended plea in abatement. Signal served its supplemental petition on the Commissioner and the agency on March 16, 2017; answer due April 10, 2017. On March 30, 2017, Signal filed a Motion for Modification of Temporary Injunction Order, noticing a hearing for April 5, 2017. The GLO filed its answer early, including a jurisdictional plea for which a motion to shorten time was also filed to have it heard contemporaneously; however, the court continued the plea, allowing for limited jurisdictional discovery in the interim and dissolved the prior injunction between Signal and New-Tex, the former of which entered into a new agreement

as to timelines by when assignee Ponderosa is to timely deposit royalties into the court registry. GLO plea heard September 12, 2017; continuance granted as to Plaintiffs' partial summary judgment motions previously set for late September. GLO plea denied October 12, 2017; interlocutory appeal briefed in full as of March 26, 2018; argued September 12, 2018. On March 27, 2019, Riemer plaintiff Hap Johnson Royalty Co., LLC filed a plea in intervention, notwithstanding that the Signal Drilling lawsuit is currently stayed given the pending interlocutory appeal. By opinion issued October 30, 2019, the 7th Court of Appeals affirmed the denial of the GLO's jurisdictional plea. Preliminarily briefed in full at the Supreme Court as of April 27, 2020; via extensions, GLO merits brief filed August 12, 2020; appellee merits briefs due October 1, 2020. The probability of liability is reasonably possible. The possible final amount of loss is indeterminable at this time.

State of Texas v. BPX Properties (NA) LP

Suit for breach of lease and declaratory relief stemming from a dispute as to whether the lease at issue has been terminated at depths below 11,613 feet. Petition filed November 15, 2019; Defendant filed a 91a motion to dismiss January 20, 2020; summary judgment hearing held August 6, 2020; trial date set for February 4, 2021.

State v. Riemer

State alleged unlawful fencing of the Canadian Riverbed below Sanford Dam; Riemer filed multiple counterclaims. Trial court denied the State's plea to the jurisdiction. Appellate court reversed, ordering the trial court to dismiss all claims against the State except Riemer's claim to the surface of the two tracts as well as select takings claims of other parties who sought class certification. On December 30, 2009, the trial court denied class certification, a decision affirmed on appeal in May 2011. Counter-Plaintiffs filed a petition for review with the Texas Supreme Court, which held that the trial court abused its discretion and reversed and remanded the matter to the Seventh Court of Appeals to address the remaining contested class certification requirements. Appellate oral arguments were held on November 4, 2013. In an opinion issued November 26, 2014, the 7th Court affirmed the denial of class certification. On January 9, 2015, Riemer filed a petition for review with the Texas Supreme Court; the State filed its response on February 9, 2015; and Riemer filed a reply on February 24, 2015. In response to the Court's request for merits briefing (and via extensions granted), Riemer filed on July 1, 2015; the State filed its Response on August 20, 2015 and Riemer filed a Reply on September 25, 2015. On October 23, 2015, the Court denied Riemer's petition. Riemer's motion for rehearing was filed December 7, 2015 and denied January 8, 2016. On February 27, 2017, Riemer filed in district court its 14th Amended Counterclaim and 12th Amended Third Party Petition, as well as motions for partial summary judgment on limitations and navigability. Hearing held May 22, 2017, wherein both Riemer partial summary judgments were granted. On September 20, 2017, Plaintiffs filed a motion to sever

(properties – albeit not specifically identified – west of the Borger-Stinnett Highway from those east); case reassigned to Judge Brancheau, who requested case status briefs. State’s plea and Riemer’s motion to sever heard November 1, 2017; by letter ruling dated December 2, 2017, the court granted the motion to sever, denied the State’s plea outright as to the severed cause (Plaintiffs west of the highway) and granted the plea as to each Defendant of non-constitutional takings claims in the original cause (Plaintiffs east of the highway). Interlocutory appeal briefed in full as of March 27, 2018; argued December 5, 2018. Upon receipt of Railroad Commission letters communicating a contract award to commence plugging operations on Riemer tracts, Riemer filed in the appellate court an emergency motion to lift the automatic stay; briefed in full as of February 12, 2019; denied by order issued February 15, 2019. On March 7, 2019, the 7th Court of Appeals affirmed the trial court’s denial of the GLO’s jurisdictional plea; mandate issued May 24, 2019. Discovery is in progress; trial to be reset to 2021. The probability of liability is reasonably possible. The possible final amount of loss is indeterminable at this time.

Tap Pilam Coahuiltecan Nation, et al. v. George P. Bush, et al.

Plaintiffs filed a civil rights action challenging Defendants’ alleged restriction on Plaintiffs’ right to participate in Defendants’ adopted Human Remains Protocol, alleging violations of the (US Constitution) First and 14th Amendments, Texas Religious Freedom Protection Act and the American Indian Religious Freedom Act, seeking declaratory and injunctive relief, nominal damages and attorney’s fees. Petition filed September 10, 2019; served September 16, 2019; awaiting court ruling on Defendants’ 12(b) motion(s) to dismiss filed October 21, 2019; GLO and Commissioner Bush dismissed without prejudice by order issued December 23, 2019. Amended Complaint filed January 22, 2020 as against Bush and ATI CEO; motion(s) to dismiss filed February 19, 2020; held in abeyance in tandem with the grant of Plaintiffs’ motion for continuance; Defendants’ 12(b) dismissal motions briefed in full as of May 11, 2020; case dismissed in full by order signed September 23, 2020.

Texas GLO v. CDM Smith Inc. and the City of Galveston

The GLO filed a declaratory action – related to a since disposed Galveston County matter – seeking to establish its rights, status and obligations among the parties involved: that, under the contracts between CDM Smith and Galveston, CDM claims not be construed as creating a debt or obligation on behalf of the GLO or the State; any GLO obligation in administering the CDBG-DR program must be limited contingent upon/subject to the actual receipt and availability of adequate federal funds; and the total amount of funds available for payment to CDM is limited to the federal grant funds available under CDM’s contract with Galveston, less payments already made and any other offsets or credits, plus attorney’s fees. Both CDM and Galveston counterclaimed against the GLO and cross-claimed: CDM essentially re-pled its Galveston County lawsuit, bringing in the GLO and identified staff as third-party Defendants, and Galveston seeks declarations as to the duties of the parties under the contract and that the GLO is ultimately responsible for payment.

On January 11, 2019, upon settlement of the Galveston County litigation, parties to the Travis County suit filed a motion for partial nonsuit with prejudice as to CDM and all named GLO employees; Galveston re-pled its surviving counterclaims as against the GLO. By letter dated February 4, 2019, Galveston attempted to invoke administrative dispute resolution under Gov’t Code Chapter 2260; which the GLO expressly rejected in writing. On April 3, 2019, the GLO filed an amended petition, seeking in part an additional declaration that 2260 is inapplicable in this context. On June 11, 2019, Galveston formally requested a contested case hearing SOAH setting; on June 27, 2019, the GLO filed a summary judgment motion seeking declaratory relief as to Chapter 2260 inapplicability and a jurisdictional plea as to the entirety of Galveston’s remaining claims; on July 24, 2019, Galveston filed a Motion for Stay Pending Resolution of (2260) Administrative Proceedings and subsequently a jurisdictional plea as to any GLO claims regarding 2260 proceedings. District Court hearing on all pending motions held November 14, 2019; ruling issued January 23, 2020 granting both pleas. Petition for Writ of Mandamus briefed in full as of May 11, 2020; briefed in full on the merits as of September 24, 2020. The probability of liability is reasonably possible. The possible final amount of loss is indeterminable at this time.

West Gulf Marine, Ltd. v. Texas General Land Office & George P. Bush

Plaintiff seeks title determination as to certain submerged properties under Galveston Bay, or alternatively to recover compensation for properties allegedly taken. Petition filed December 7, 2018; answered January 11, 2019; jurisdictional plea filed June 19, 2019; argued August 8, 2019; granted August 14, 2019. West Gulf filed its Notice of Appeal on September 13, 2019; by extensions, briefed in full as of March 4, 2020. Oral argument set for October 22, 2020. The probability of liability is reasonably possible. The possible final amount of loss is indeterminable at this time.

Wharton, et al. v. HUD, et al.

Plaintiffs “are Hispanic and Black ... renters who have been denied the opportunity to obtain Hurricane Harvey disaster relief benefits by discriminatory policies set out in the State of Texas Plan for Disaster Recovery: Hurricane Harvey – Round 1 and approved by HUD (hereinafter ‘Action Plan’).” Plaintiffs seek declarations of violations of their constitutional rights under the Civil Rights Act (1964) and Fair Housing Act (1968); and permanent injunctions 1) requiring an Action Plan that includes programs providing direct assistance to renters and 2) setting aside HUD’s approval of the Action Plan, requiring HUD to timely consider a revised Action Plan – or – requiring the Action Plan for the CDBG-Mitigation allocation to provide substantial direct assistance to impacted renter households. Complaint filed October 11, 2019; State’s 12(b) motion to dismiss filed January 10, 2020; consolidated with *Bob, et al. v. HUD, et al.* via order entered March 3, 2020. Amended Complaint(s) filed March 17, 2020; order entered March 19, 2020 granting motion to stay case for 90 days; by extensions, 12(b) motion(s) to dismiss Amended Complaint(s) briefed in full as of

July 29, 2020. The probability of liability is reasonably possible. The possible final amount of loss is indeterminable at this time.

There may be substantial legal obstacles to satisfaction of a judgment with permanent school fund monies. The above lawsuits are referenced in this note as contingent liabilities in the interest of full disclosure. Nonetheless, the possibility that payment will be required from the permanent school fund is remote.

DERIVATIVE INSTRUMENTS

As a function of its normal business operations, the Texas General Land Office's (TGLO), State Energy Marketing Program (SEMP) enters into commodity transactions for the delivery of natural gas (Gas) and electric power (Power) to Public Retail Customers (PRCs). In addition, SEMP takes a portion of oil royalty entitlements as "Take-in-Kind" (TIK) royalty instead of cash. These transactions meet the definition of derivative instruments per GASB Statement No. 53 (GASB 53), *Accounting and Reporting for Derivative Instruments*. However, GASB 53, Paragraph 14, excludes these transactions from its scope since all such contracts result in physical delivery of the derivative's underlying commodity via normal purchase and sales contracts.

As of August 31, 2020, GLO had outstanding natural gas commitments/open positions with third parties for 12,553,547 MMBtus valued at \$10,905,675. Power contracts are priced off the Electricity Reliability Council of Texas (ERCOT) grid. The fair value of future cash flows from electric contracts is not reported because the electric service provider (ESP) is responsible for hedging these transactions and GLO simply has a credit risk related to these future cash flows.

The risks associated with these derivative transactions include the following: the SEMP program is exposed to credit risk in the event a gas supplier fails to honor its obligation or if the ESP fails to deliver electricity per the terms of the contract. The ESP provides collateral in form of an irrevocable letter of credit to protect for Power sales.

SEMP has minimal exposure to risk related to sales because GLO deals exclusively with PRCs and can place a warrant hold on appropriation distributions from the State Comptroller to the PRC to satisfy delinquent obligations. Exposure to termination risk is also minimal, but nonetheless possible because all contracts with PRCs are Interagency or Interlocal Agreements subject to funding by Legislature that can be terminated with 30 days' notice subject

to termination provisions. Lastly, market access risk is not prevalent as GLO is backed by the State of Texas' credit rating (thus eliminating potential risk of financial loss due to a deteriorating credit rating).

Note 16

SUBSEQUENT EVENTS

On August 13, 2020, the VLB authorized the issuance and sale of State of Texas Veterans Bonds, Series 2021 in one or more installments in an aggregate principal amount not to exceed \$250,000,000. Accordingly, the VLB expects to issue its \$250,000,000 State of Texas Veterans Bonds, Series 2021 as referenced in **Table 28** below. The proceeds of the bonds will be used to augment the Veterans' Housing Assistance Fund II.

On September 22, 2020, the VLB executed a floating-to-fixed interest rate swap with Goldman Sachs Bank USA with a notional amount of \$247,990,000.00. The swap was executed in order to lock in currently-attractive market rates in anticipation of the issuance of the \$250,000,000.00 State of Texas Veterans Bonds, Series 2021 in January 2021. Under the terms of the swap, the VLB will pay a fixed rate of 0.649% and receive a variable rate equal to 66.5% of USD-Federal Funds-H.15 plus 0.18%. The effective date of the swap is December 1, 2021, and the termination date is December 1, 2051.

Note 17

RISK MANAGEMENT

INSURANCE POLICIES

The Texas General Land Office assumes substantially all risks associated with tort and liability claims due to the performance of its duties. The agency has purchased the following two insurance policies: Public Employees Volunteer Insurance Coverage

Table 28

NEW BOND ISSUANCE

BOND ISSUANCE	SERIES	AMOUNT	ANTICIPATED DATE OF ISSUANCE	PURPOSE
General Obligation Bonds	2021	\$ 250,000,000	TBD	To augment the Veterans' Housing Assistance Fund II

pursuant to Statewide Volunteer Insurance Program and Commercial Property Insurance.

The Statewide Volunteer Insurance Policy covers excess personal liability for ten volunteers at \$5.10 per volunteer. Excess Personal Liability covers losses associated with volunteer liability up to \$1 million per occurrence, subject to an annual aggregate per named organization. This policy provides protection for a personal injury or a property damage liability claim arising from the performance of the registered volunteer's duties, however, only covers claims that occur during assignment – not on the way to or from the volunteer's assignment. This coverage is in excess of, and non-contributing with any other valid or collectible insurance the volunteer may have. Accident medical expenses for ten volunteers at \$5.10 per volunteer are also provided for under the Statewide Volunteer Insurance Policy with a Benefit Maximum of \$100,000. The provider will not pay more than the Benefit Maximum for all losses per Accidental Death & Dismemberment Covered Accident. If, in the absence of this provision, the provider would pay more than Benefit Maximum for all losses from one Accidental Death & Dismemberment Covered Accident, then the benefits payable to each person with a valid claim will be reduced proportionately, so the total amount paid by the provider is the Benefit Maximum.

Table 29

CLAIM LIABILITIES				
	Beginning Balance	Increases	Decreases	Ending Balance
2020	\$0.00	\$7,977.00	(\$7,977.00)	\$0.00
2019	\$0.00	\$6,243.07	(\$6,243.07)	\$0.00

The Statewide Commercial Property Insurance policy limit covers up to \$1 million for any one occurrence for all perils; coverage is shared by all participants of the statewide program and is subject to sublimits as listed in the policy. Sublimits are part of, not in addition to, policy limit. Insured perils include all risks of direct physical loss or damage including flood and earthquake, except as excluded in policy forms. This policy also provides coverage for acts of terrorism, up to \$150 million per occurrence.

The agency is not involved in any risk pools with other government entities.

Table 29 above shows changes in the balances of the agency's claim liabilities during fiscal year 2020, that are unrelated to policies listed above.

WORKERS' COMPENSATION CLAIMS

For workers' compensation claims, the Texas General Land Office is covered by an assessment imposed by the State Office of Risk Management (SORM). SORM now handles all claims for workers' compensation and unemployment.

RISK FINANCING

In fiscal year 2020 the Texas General Land Office paid three claims arising from vehicle accidents involving an agency employee.

Note 18

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

Net Position, Governmental Funds

The assets of the agency's governmental funds exceeded its liabilities at August 31, 2020 by \$7,013,845,309.01 (presented as Net Position in Exhibits I and II). Of this amount, \$6,851,173,689.26 is restricted for the benefit of the permanent school fund (PSF), much of which is dedicated for investing in real assets.

Net Position, Proprietary Funds

The assets of the agency's proprietary funds exceeded its liabilities at August 31, 2020 by \$810,673,535.61 (as presented in Exhibits III and IV). Of this amount, \$99,199,532.58 is invested in capital assets, net of related debt, and the remaining \$711,474,003.03 is restricted for the Veterans Land Board programs.

Operational activities in the housing and land programs resulted in operating income of approximately \$14 million. Along with operational activities, the approximate income from investment activities of \$12.3 million, net increase in fair value of investments of \$15.9 million, and net Transfers Out of \$33.3 million to fund administrative costs and to construct veterans' cemeteries and veterans' homes, contributed to an increase in net position of approximately \$2.9 million.

The State of Texas David A. Gloier State Veterans' Home Program operated at a loss of about \$2.5 million. With other non-operating revenues and transfers out of approximately \$4.6 million and \$3.0 million, respectively, the program decreased net position by approximately (\$877) 877.1 thousand.

PSF INVESTMENT ACTIVITY

Since its formation as an independent Republic in 1836, Texas has used its public lands to benefit its citizens. In 1854, the state of Texas set aside the remainder of its public lands to create the

permanent school fund (PSF), a constitutional endowment dedicated to the support of public education. Over the years, real property in the fund has been sold or leased and the proceeds invested to foster growth of the PSF and generate income for public education. Today, the Texas General Land Office manages approximately 13 million acres of subsurface real property interests owned by the fund, providing a consistent source of revenue for Texas schoolchildren.

In 1985, the School Land Board was authorized to use land sale proceeds to acquire other interests in real property. In the ensuing years, the board's investment authority has been modified and expanded several times. Currently, §51.401 of the Natural Resource Code states that, "The board may designate funds received from any land, mineral or royalty interest, real estate investment, or other interest, including revenue received from those sources, that is set apart to the permanent school fund under the constitution and laws of this state together with the mineral estate in riverbeds, channels, and the tidelands, including islands, for deposit in the Real Estate Special Fund Account of the permanent school fund in the State Treasury..."

Section 51.402 of the Natural Resource Code allows the board to use money designated under §51.401 to "add to a tract of public school land to form a tract of sufficient size to be manageable; to add contiguous land to public school land; to acquire, as public school land, interests in real property for biological, commercial, geological, cultural, or recreational purposes; to acquire mineral and royalty interests for the use and benefit of the permanent school fund; to protect, maintain, or enhance the value of public school land; to acquire interest in real estate; to pay reasonable fees for professional services related to the permanent school fund investments; or to acquire, sell, lease, trade, improve, maintain, protect or use land, mineral or royalty interests, or real estate investments, an investment or interest in public infrastructure, or other interests, at such prices, and under such terms and conditions that board determines to be in the best interest of the permanent school fund." Before using funds for any of the above purposes, the board must determine that the use of the funds for the intended purpose is authorized, and by using the prudent investor standard, the board must also determine that the use of the funds for the intended purpose is in the best interest of the permanent school fund. Additionally, §51.402 states that the fair value of the investments in real assets on January 1 of each even numbered year may not exceed an amount that is equal to 15 percent of the market value of the assets held by the SLB and the State Board of Education.

Approximately \$829 million of capital commitments to externally-managed real assets investment funds were funded between September 1, 2019 and August 31, 2020.

The current surface real property portfolio of the fund consists of 661,940.25 surface acres with a portfolio value of \$628,086,665.19. The sovereign portion of this is located primarily in west Texas. 407,963.51 acres of sovereign land represent 61.6

percent of the total portfolio acreage but are only valued at \$269,566,579.40, 42.9 percent of the total portfolio value. Some of this property, though marginally suitable, has been leased for grazing and hunting purposes. The remainder of the sovereign land, most of which is land-locked, has little value other than for adjacent landowners who wish to increase their holdings. Over time, these properties will likely be sold.

The mineral reserve valuation of the permanent school fund's interest in oil and gas minerals is conducted by a third-party entity on an annual basis. The fair value is determined using Comptroller guidelines for adjusting the reserve report by mean risk adjustment factors provided by the Society of Petroleum Evaluation Engineers.

The August 31, 2020 ending historical cost basis for the fund's land surface portfolio was \$200,420,635.45. Contributions of \$664,492.42 were made to development projects. The permanent school fund also manages approximately 13 million acres of Relinquishment Act, submerged, free royalty, and mineral reserved lands, and mineral estates on surface lands representing a basis of \$13,435,612.51.

Dispositions for the fiscal year ended August 31, 2020, equaled 2,138.03 acres, resulting in a gain of approximately \$24.5 million.

LOANS AND CONTRACTS RECEIVABLE

Loans and contracts receivables are divided between current and noncurrent assets. Current loans and contracts receivable for land contracts are \$4,067,856.53, land mortgages are \$4,455,404.09, housing mortgages are \$55,328,640.48 and home improvement loans are \$1,953,051.26. Noncurrent loans and contracts receivable for land contracts are \$33,887,378.73, land mortgages are \$284,342,675.33, housing mortgages are \$1,785,003,552.20, and home improvement loans are \$35,324,597.73.

CAPITAL ASSETS

In compliance with GASB Statement No. 34, depreciable assets are reported along with accumulated depreciation. Governmental funds report non-depreciable assets for land of \$7,214,800.19, construction in progress of \$1,399,012.30, and other assets of \$16,144,444.58.

Governmental funds report depreciable assets: buildings of \$69,267,329.11 less accumulated depreciation of (\$37,350,799.01), furniture and equipment of \$8,223,430.04 less accumulated depreciation of (\$6,114,715.65), vehicles, boats and aircraft of \$7,647,871.50 less accumulated depreciation of (\$6,204,348.25), intangible computer software of \$1,094,440.07 less accumulated amortization of (\$982,063.87), facilities and other improvements of \$3,560,357.11 less accumulated depreciation of (\$480,604.21), and other assets of \$139,228.00 less accumulated depreciation of (\$20,646.48).

The Veterans' Home Revenue Bond Funds report non-depreciable assets for land of \$5,839,500.00, and construction in progress of \$1,985,526.98. The Veterans' Home Revenue Bond Funds report depreciable assets: buildings of \$166,227,338.14 less accumulated depreciation of (\$75,178,725.42), furniture and equipment of \$1,093,756.81 less accumulated depreciation of (\$780,685.91), facilities and other improvements of \$22,963.00 less accumulated depreciation of (\$10,141.02), and intangible computer software of \$298,693.15 less accumulated depreciation of (\$298,693.15).

LONG-TERM DEBT

The agency's debt obligations associated with bonds decreased by \$4,715,000. Changes in bonds payable is represented by \$250,000,000.00 of new issuances including premiums received, and \$254,715,000 of retired or matured bonds, including amortization of premiums. For additional details, see Schedules 2-A and 2-B.

SIGNIFICANT COMMITMENTS

Between September 1, 2019 and August 31, 2020, the SLB closed on capital commitments to five externally-managed real assets investment funds, separate accounts, or co-investment vehicles in a total amount of approximately \$850 million. At August 31, 2020, the SLB had approved and closed on total capital commitments, net of any capital commitments associated with any investments that were subsequently sold or dissolved, of approximately \$8.11 billion to 62 funds and ten co-investment vehicles, of which approximately \$2.73 billion remains unfunded.

On August 18, 2020, the SLB adopted a resolution that releases \$875 million from the Real Estate Special Fund Account (RESFA) during fiscal year 2022 and fiscal year 2023 to the Available School Fund. The funds are scheduled to be released in four quarterly installments of \$103.75 million each on the 25th day (or next succeeding business day if the 25th is not a business day) of November 2021, February 2022, May 2022, August 2022, and four quarterly installments of \$115 million each on the 25th day (or next succeeding business day if the 25th is not a business day) of November 2022, February 2023, May 2023, and August 2023, respectively.

On September 11, 2020, the State Board of Education (SBOE), in accordance with Section 43.0051, Education Code, approved the transfer of \$300 million during fiscal year 2021 from the portion of the PSF managed by the SBOE to the Real Estate Special Fund Account (RESFA) managed by the School Land Board (SLB), with the intent that the SLB will then distribute this \$300 million directly to the Available School Fund (ASF) during fiscal year 2021. The SBOE will make transfers to the RESFA in quarterly installments of \$75 million each prior to the dates previously approved by the SLB in 2018 for its fiscal year 2021 releases from the RESFA to the ASF and SBOE (i.e., quarterly on the 25th day, or

the next succeeding business day, of November 2020, February 2021, May 2021, and August 2021).

On October 20, 2020, the SLB adopted a resolution that releases the \$300 million described in the immediately preceding paragraph from the RESFA to the ASF during fiscal year 2021 in four quarterly installments of \$75 million each on the 25th day, or the next succeeding business day, of November 2020, February 2021, May 2021, and August 2021. When combined with the amounts previously approved by the SLB in 2018 for release to the ASF and SBOE during fiscal year 2021, the total amount to be released by the SLB to the ASF and SBOE during fiscal year 2021 is \$645 million (i.e., \$300 million to the ASF and \$45 million to the SBOE for investment in the PSF).

BANKRUPTCIES

The agency has not filed any new proofs of claim in fiscal year 2020.

Any revenues received from these bankruptcy proceedings will be recognized in the year collections are received.

Prior to fiscal year 2020, the agency had a claim amount of \$4,702,727.33 for oil and gas sales transactions related to Enron Corporations, of which none was accrued as revenue in the year of bankruptcy due to the unlikelihood of its collection. Revenues will be recognized in the year collections are received. The agency has received \$2,771,015.89 through August 31, 2020.

COVID-19 PANDEMIC

The Secretary of Health and Human Services (HHS) declared a public health emergency on January 31, 2020, under section 319 of the Public Health Service Act (42 U.S.C. 247d), in response to COVID-19. The concerns related to the spread of coronavirus and the related containment measures intended to mitigate its impact have created substantial disruption and uncertainty within the global economy. In response to the COVID-19 pandemic, the agency continues to take precautionary measures and follow business continuity processes, led by regular meetings of our executive management to ensure a consistent approach across the agency.

With passage of Public Law 116-136, state, local, and tribal governments navigating the impact of the COVID-19 outbreak are eligible to receive federal financial assistance under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

As of August 31, 2020, the agency received \$7.1 million in CARES Act funding to care for veterans in the Texas State Veterans Homes (TSVH) operated by the Veterans Land Board. TSVH receive funding from various sources, which is based on occupancy. Due to a different operating model necessary during the pandemic, the TSVH experienced a substantial decrease in

occupancy in fiscal year 2020, resulting in an increase in incremental cost of \$7.5 million for the program.

Since August 31, 2020, the agency applied for additional CARES Act funding to assist the agency and TSVH operators throughout the pandemic. Additional federal financial assistance related to COVID-19 is probable, however indeterminable at this time.

Note 19

THE FINANCIAL REPORTING ENTITY

RELATED PARTIES

In accordance with the *Investment Vehicle Guidelines* adopted by the School Land Board in July 2018, the GLO can form and utilize special purpose vehicles (SPVs), such as limited liability companies (LLCs), special purpose corporations (SPCs), and limited partnerships (LPs), to isolate liabilities, limit future funding obligations, avoid submitting to foreign jurisdictions, and to enhance the transferability of an investment. Since the GLO owns 100% of the SPVs, the GLO and the SPVs are related parties; however, there are no transactions between the GLO and the SPVs.

Following is a brief description of each of the currently active SPVs formed by the GLO:

Capitol Co-Investments 6, LLC

On behalf of the State of Texas for the use and benefit of the Permanent School Fund (PSF), the General Land Office has formed a Special Purpose Vehicle (SPV), Capitol Co-Investments 6, LLC (the Company). The Company's purpose is to make, hold and dispose of one or more investments and serve any other lawful purpose for which a limited liability company may be organized under Texas Business Organizations Code. The PSF is the sole member of the Company; hence the GLO, acting on behalf of the PSF, has full authority over the Company's operations. The PSF is entitled to all distributions and GLO, acting on behalf of the PSF, elects when the Company may be dissolved. Upon dissolution, title to all property held by the Company will be transferred to the PSF. As of August 31, 2020, Capitol Co-Investments 6, LLC has a net asset value of \$26,172,159.44.

Capitol Co-Investments 7, LLC

On behalf of the State of Texas for the use and benefit of the Permanent School Fund, the General Land Office has formed a Special Purpose Vehicle, Capitol Co-Investments 7, LLC (the Company). The Company's purpose is to make, hold and dispose of one or more investments and serve any other lawful purpose for which a limited liability company may be organized under

Texas Business Organizations Code. The PSF is the sole member of the Company; hence the GLO, acting on behalf of the PSF, has full authority over the Company's operations. The PSF is entitled to all distributions and GLO, acting on behalf of the PSF, elects when the Company may be dissolved. Upon dissolution, title to all property held by the Company will be transferred to the PSF. As of August 31, 2020, Capitol Co-Investments 7, LLC has a net asset value of \$65,039,000.

Capitol Co-Investments 8, LLC

On behalf of the State of Texas for the use and benefit of the Permanent School Fund, the General Land Office has formed a Special Purpose Vehicle, Capitol Co-Investments 8, LLC (the Company). The Company's purpose is to make, hold and dispose of one or more investments and serve any other lawful purpose for which a limited liability company may be organized under Texas Business Organizations Code. The PSF is the sole member of the Company; hence the GLO, acting on behalf of the PSF, has full authority over the Company's operations. The PSF is entitled to all distributions and GLO, acting on behalf of the PSF, elects when the Company may be dissolved. Upon dissolution, title to all property held by the Company will be transferred to the PSF. As of August 31, 2020, Capitol Co-Investments 8, LLC has a net asset value of \$312,820,052.40.

Capitol Co-Investments 9, LLC

On behalf of the State of Texas for the use and benefit of the Permanent School Fund, the General Land Office has formed a Special Purpose Vehicle, Capitol Co-Investments 9, LLC (the Company). The Company's purpose is to make, hold and dispose of one or more investments and serve any other lawful purpose for which a limited liability company may be organized under Texas Business Organizations Code. The PSF is the sole member of the Company; hence the GLO, acting on behalf of the PSF, has full authority over the Company's operations. The PSF is entitled to all distributions and GLO, acting on behalf of the PSF, elects when the Company may be dissolved. Upon dissolution, title to all property held by the Company will be transferred to the PSF. As of August 31, 2020, Capitol Co-Investments 9, LLC has a net asset value of \$116,250,000.

Capitol Co-Investments 11, LLC

On behalf of the State of Texas for the use and benefit of the Permanent School Fund, the General Land Office has formed a Special Purpose Vehicle, Capitol Co-Investments 11, LLC (the Company). The Company's purpose is to make, hold and dispose of one or more investments and serve any other lawful purpose for which a limited liability company may be organized under Texas Business Organizations Code. The PSF is the sole member of the Company; hence the GLO, acting on behalf of the PSF, has full authority over the Company's operations. The PSF is entitled to all distributions and GLO, acting on behalf of the PSF, elects when the Company may be dissolved. Upon dissolution, title to all property held by the Company will be transferred to the PSF. As of August 31, 2020, Capitol Co-Investments 11, LLC has a net asset value of \$36,601,184.00.

Capitol Co-Investments 12, LLC

On behalf of the State of Texas for the use and benefit of the Permanent School Fund, the General Land Office has formed a Special Purpose Vehicle, Capitol Co-Investments 12, LLC (the Company). The Company’s purpose is to make, hold and dispose of one or more investments and serve any other lawful purpose for which a limited liability company may be organized under Texas Business Organizations Code. The PSF is the sole member of the Company; hence the GLO, acting on behalf of the PSF, has full authority over the Company’s operations. The PSF is entitled to all distributions and GLO, acting on behalf of the PSF, elects when the Company may be dissolved. Upon dissolution, title to all property held by the Company will be transferred to the PSF. As of August 31, 2020, Capitol Co-Investments 12, LLC has a net asset value of \$50,031,276.00.

Capitol Co-Investments 13, LLC

On behalf of the State of Texas for the use and benefit of the Permanent School Fund, the General Land Office has formed a Special Purpose Vehicle, Capitol Co-Investments 13, LLC (the Company). The Company’s purpose is to make, hold and dispose of one or more investments and serve any other lawful purpose for which a limited liability company may be organized under Texas Business Organizations Code. The PSF is the sole member of the Company; hence the GLO, acting on behalf of the PSF, has full authority over the Company’s operations. The PSF is entitled to all distributions and GLO, acting on behalf of the PSF, elects when the Company may be dissolved. Upon dissolution, title to all property held by the Company will be transferred to the PSF. As of August 31, 2020, Capitol Co-Investments 13, LLC has a net asset value of \$54,996,428.00.

Capitol Co-Investments 14, LLC

On behalf of the State of Texas for the use and benefit of the Permanent School Fund, the General Land Office has formed a Special Purpose Vehicle, Capitol Co-Investments 14, LLC (the Company). The Company’s purpose is to make, hold and dispose of one or more investments and serve any other lawful purpose for which a limited liability company may be organized under Texas Business Organizations Code. The PSF is the sole member of the Company; hence the GLO, acting on behalf of the PSF, has full authority over the Company’s operations. The PSF is entitled to all distributions and GLO, acting on behalf of the PSF, elects when the Company may be dissolved. Upon dissolution, title to all property held by the Company will be transferred to the PSF. As of August 31, 2020, Capitol Co-Investments 14, LLC has a net asset value of \$28,716,277.00.

Capitol Co-Investments 15, LLC

On behalf of the State of Texas for the use and benefit of the Permanent School Fund, the General Land Office has formed a Special Purpose Vehicle, Capitol Co-Investments 15, LLC (the Company). The Company’s purpose is to make, hold and dispose of one or more investments and serve any other lawful purpose for which a limited liability company may be organized under Texas Business Organizations Code. The PSF is the sole member of

Table 30

DONOR RESTRICTED ENDOWMENTS	
	Permanent School Fund (PSF)
	\$
Restricted Income of the Fund	6,851,172,636.38
Balance at Fiscal Year-End	6,851,172,636.38

the Company; hence the GLO, acting on behalf of the PSF, has full authority over the Company’s operations. The PSF is entitled to all distributions and GLO, acting on behalf of the PSF, elects when the Company may be dissolved. Upon dissolution, title to all property held by the Company will be transferred to the PSF. As of August 31, 2020, Capitol Co-Investments 15, LLC has a net asset value of \$36,904,064.00.

Capitol Co-Investments 16, LLC

On behalf of the State of Texas for the use and benefit of the Permanent School Fund, the General Land Office has formed a Special Purpose Vehicle, Capitol Co-Investments 16, LLC (the Company). The Company’s purpose is to make, hold and dispose of one or more investments and serve any other lawful purpose for which a limited liability company may be organized under Texas Business Organizations Code. The PSF is the sole member of the Company; hence the GLO, acting on behalf of the PSF, has full authority over the Company’s operations. The PSF is entitled to all distributions and GLO, acting on behalf of the PSF, elects when the Company may be dissolved. Upon dissolution, title to all property held by the Company will be transferred to the PSF. The SLB approved a \$75 million increase to its original \$125 million capital commitment to Capitol Co-Investments 16, LLC on July 23, 2019. As of August 31, 2020, Capitol Co-Investments 16, LLC has a net asset value of \$175,960,059.00.

TENANCY IN COMMON

In July 2007, a one-half tenancy in common interest was formed between the School Land Board and Cherokee Sugar Land, LP, for the use and benefit of the Permanent School Fund (PSF). This joint tenancy in common was formed to develop the combined tracts of land over several years. The PSF will pay one-half of the development cost and will participate in one-half of all income. Imperial Johnson, LLC, the development manager, submits an annual budget to the PSF for approval. The majority of the developable land has been sold, developed, or conveyed to the Municipal Utility District for bond revenue.

CONTRACTED AGREEMENT

In 2005, the Permanent School Fund (PSF) acquired 1,984 acres located in New Braunfels, Texas fee simple, associated with a Development/Disposition Agreement with RS New Braunfels, LTD and RS New Braunfels, Two, LTD. The purpose of the contractual

agreement was for the agent to obtain necessary entitlements to enhance the value and marketability of the assets. Currently the property is under contract and is scheduled to close in 2021.

JOINT VENTURES

In August 2012, Galveston Preserve at West Beach, Ltd., a Texas limited partnership, was formed between MP Marquette Galveston LLC and Marquette Preserve, LP, LLC – both Texas limited liability companies – and the School Land Board for the use and benefit of the Permanent School Fund. The Permanent School Fund contributed 1,031.52 acres to the partnership. The acreage will be used for a mixed use residential/commercial development.

In April 2014, Grand Parkway 1358, LP, a Texas limited partnership, was formed between Johnson GP 1358, LLC and Johnson 1258 Investors LLC – both Texas limited liability companies – and the School Land Board for the use and benefit of the Permanent School Fund (PSF). The development, known as Harvest Green, is a mixed use residential/commercial development located near Sugarland, Texas. The PSF contributed 1,343.679 acres of land to the partnership. The infrastructure for the master planned development began in late 2014, with completion expected by 2022.

In May 2017, 290 WR Holdings LP, a Texas limited partnership was formed between Johnson WR Investors LLC, Johnson WR GP LLC, and the School Land Board for the use and benefit of the Permanent School Fund (PSF). The partnership acquired 1,617 acres located in northwest Houston. The property is planned for a future master-planned community. The master-planned development is scheduled to begin construction in 2021.

DISCRETELY PRESENTED COMPONENT UNIT

The Texas Natural Resources Code Ch. 31.451(d) authorizes the Texas General Land Office to participate in the establishment of and partner with a qualifying nonprofit organization for purposes which include raising funds for or providing services or other benefits for the preservation and maintenance of the Alamo complex. The land office may contract with the organization for the performance of any activity.

The Alamo Endowment, a Texas 501(c)(3) non-profit corporation, was created to provide resources and support for the preservation and maintenance of the Alamo Complex and its contents located in San Antonio, Texas. The organization's goals are to promote the Alamo Complex and provide for the preservation, education, management and restoration of the Alamo Complex, including raising of funds to achieve these purposes.

The Texas General Land Office currently includes the Alamo Endowment as a discrete component unit in its financial statements. The Alamo Endowment is a legally separate entity whose relationship with the GLO is such that inclusion in GLO's financial statements is required under GASB Statements 14, 39, and 61. The land commissioner of the General Land Office is a

permanent director, ex-officio with full voting rights, who serves as the Chairman of the Board of Directors of the Alamo Endowment. The remaining board members are individuals appointed by the land commissioner and may be removed by the commissioner at any time with or without cause.

The Alamo Endowment provides consolidated audited financial statements for the period July 1 through June 30 of each year to the Texas General Land Office for inclusion as a discrete component unit in its annual financial statements. These audited financial statements can be obtained directly from The Alamo Endowment's administrative offices at 321 Alamo Plaza, San Antonio, Texas 78205.

Note 20

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

ACCOUNTABILITY

A deficit net position was reported in fiscal year 2020 in Appropriated Fund 0383 and 0385 as the result of liabilities for bonds payable exceeding asset balances.

Note 21

N/A

Not applicable.

Note 22

DONOR RESTRICTED ENDOWMENTS

The net appreciation (cumulative and unexpended) on donor-restricted endowments as presented in **Table 30** on page 81 is available for authorization for expenditure by the School Land Board (SLB). The SLB is responsible for the investment of money in the Real Estate Special Fund Account (RESFA) of the permanent school fund.

Texas Natural Resource Code Ann., §51.402 allows the board to use money designated under §51.401 to "add to a tract of public school land to form a tract of sufficient size to be manageable; to add contiguous land to public school land; to acquire, as public school land, interests in real property for biological, commercial, geological, cultural, or recreational purposes; to acquire mineral and royalty interests for the use and benefit of the permanent school fund; to protect, maintain, or enhance the value of public school land; to acquire interests in real estate; to pay reasonable fees for professional services related to permanent school fund investment; or to acquire, sell, lease, trade, improve, maintain, protect, or use land, mineral and royalty interests, or real estate investments, an investment or interest in public infrastructure, or other interests, at such prices and under such terms and conditions the board determines to be in the best interest of the permanent school fund." Before using funds for any of the above purposes, the board must determine that the use of the funds for the intended purpose is authorized, and by using the prudent investor standard, the board must also determine that the use of the funds for the intended purpose is in the best interest of the permanent school fund. The Texas Education Agency (TEA), agency 701, will report the remaining balances.

Note 26

SEGMENT INFORMATION

Not applicable.

Note 23

EXTRAORDINARY AND SPECIAL ITEMS

Not applicable.

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Note 24

DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

Details of the receivable and payable balances that may have been obscured by aggregation on the financial statements are reported in **Table 31** on page 84.

Note 25

TERMINATION BENEFITS

Not applicable.

Table 31

DISAGGREGATION OF SIGNIFICANT RECEIVABLES AND PAYABLES

August 31, 2020

	Receivables
Federal Receivables	\$
<i>Governmental Funds</i>	
National Oceanic and Atmospheric Administration	602.62
Department of Interior	12,264.82
Department of Commerce	846,189.41
Department of Housing and Urban Development	91,968,724.28
Department of Veterans Affairs - Cemeteries	1,747,334.04
US Environmental Protection Agency	299,559.33
Department of Homeland Security	2,521,050.41
Total Net Federal Receivables	97,395,724.91
<i>As Reported on the Financial Statements (Exhibit I)</i>	
Current Federal Receivables	97,395,724.91
<i>Proprietary Funds</i>	
Department of Veterans Affairs - State Veterans Homes	17,799,221.13
Total Net Federal Receivables	17,799,221.13
<i>As Reported on the Financial Statements (Exhibit III)</i>	
Current Federal Receivables	17,799,221.13
Accounts Receivables	
<i>Governmental Funds</i>	
Gas Royalties	12,503,451.26
Oil Royalties	94,097,653.56
State Energy Marketing Program	15,640,978.01
Leases	443,293.76
Other Revenues	(5,435,071.18)
Total Net Accounts Receivable	117,250,305.41
<i>As Reported on the Financial Statements (Exhibit I)</i>	
Current Accounts Receivable	117,250,305.41
<i>Proprietary Funds</i>	
Veterans' Housing Mortgages	1,810,749,294.23
Veterans' Home Improvement Loans	35,601,704.89
Veterans' Land Contracts	34,253,047.52
Veterans' Land Mortgages	286,111,123.79
Texas State Veterans Homes (<i>net of allowances</i>)	1,505,757.15
Total Net Accounts Receivable	2,168,220,927.58
<i>As Reported on the Financial Statements (Exhibit III)</i>	
Current Accounts Receivable	2,168,220,927.58
	Payables
Accounts Payable	\$
<i>Governmental Funds</i>	
State Energy Marketing Program	4,976,426.08
State Veterans Cemetery Program	742,243.71
General Governmental Expenditures	91,977,552.03
Total Accounts Payable	97,696,221.82
<i>As Reported on the Financial Statements (Exhibit I)</i>	
Current Accounts Payable	97,696,221.82
<i>Proprietary Funds</i>	
Veterans' Housing Mortgages	4,020,119.07
Veterans' Land Contracts	820,377.99
Veterans Homes	16,741,778.46
Total Accounts Payable	21,582,275.52

Note 27

SERVICE CONCESSION ARRANGEMENTS

Not applicable.

Note 28

DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES

GLO reported deferred inflows and deferred outflows of resources in connection with its hedging derivative instruments and deferred revenues as presented in **Table 32** on the right.

In fiscal year 2020, deferred outflows of resources of \$345,691,403.28.00 and deferred inflows of resources \$0 related to its hedging derivative instruments in the business-type activities. Additional details can be found in Note 7.

Note 29

TROUBLED DEBT RESTRUCTURING

Not applicable.

Note 30

NON-EXCHANGE FINANCIAL GUARANTEES

Not applicable.

Table 32

DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES		
As of August 31, 2020	Deferred Outflows of Resources	Deferred Inflows of Resources
	\$	\$
Business-Type Activities		
Hedging Dertivative Instruments	345,691,403.28	0.00
Total, Business-Type Activities	345,691,403.28	0.00

Note 31

TAX ABATEMENTS

Not applicable.

Note 32

FUND BALANCES

Governmental Accounting Standards Board (GASB) Statement 54 establishes financial reporting standards for fund balances. Each fund type defaults to a specific classification at year end, as determined by the Comptroller of Public Accounts. The General Land Office has restrictions/covenants causing fund balances to be classified as other than their default classification, as shown in **Table 33** on page 86.

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Texas General Land Office and Veterans Land Board

Table 33

GOVERNMENTAL FUND BALANCES

GAAP Fund	Fund	AFR GASB 54 Class	Amount	Citation	Comments
GENERAL FUNDS					
0001	1101	Restricted	\$ (9,386.28)	Federal CFDA 14.218	Federal funds; restrictions are externally imposed by federal government agencies.
0001	1102	Restricted	(242,461.68)	Federal CFDA 14.228	Federal funds; restrictions are externally imposed by federal government agencies. Negative restricted fund balance was reclassified to unassigned.
0001	1103	Restricted	(280,740.50)	Federal CFDA 14.228	Federal funds; restrictions are externally imposed by federal government agencies. Negative restricted fund balance was reclassified to unassigned.
0001	1104	Restricted	3,216,015.55	Federal CFDA 14.228	Federal funds; restrictions are externally imposed by federal government agencies. Negative restricted fund balance was reclassified to unassigned.
0001	1105	Restricted	2,026,285.73	Federal CFDA 97.048	Federal funds; restrictions are externally imposed by federal government agencies. Negative restricted fund balance was reclassified to unassigned.
0001	1106	Restricted	13,609,867.81	Federal CFDA 97.036	Federal funds; restrictions are externally imposed by federal government agencies. Negative restricted fund balance was reclassified to unassigned.
0001	1111	Restricted	(1,098,805.23)	Federal CFDA 14.228	Federal funds; restrictions are externally imposed by federal government agencies. Negative restricted fund balance was reclassified to unassigned.
0027	0027	Committed	6,121,220.85	NRC Sec. 40.151	Coastal Protection Fund; used only for carrying out the purposes of NRC Chapter 40 and of Subchapter H, Chapter 33.
0450	0450	Committed	568,114.29	NRC Sec. 33.015	Restricted for Coastal Public Lands Management
0522	0522	Restricted	5,078,732.43	TEX. CONST. Art. III, Sec. 49-b	Created by the State's Constitution for the specific purpose of administering the Veterans' Land Program.
0543	0543	Committed	4,245,754.16	TEX. Gov't Code Ann. Sec. 2201	Texas Capital Trust Fund
5152	5152	Committed	4,974,227.60	NRC Sec. 31.454 (e)	Alamo Trust, Inc. (formerly known as Alamo Complex Management)
PERMANENT FUNDS					
0044	0007	Restricted	\$ 65,828,694.21	General Appropriations Act, HB1, 84th Legislature, Regular Session, Article VI, p.25	Appropriation for management of the Permanent School Fund
0044	0010	Restricted	42,581,723.13	NRC Sec. 53.155 and Sec. 52.297	
0044	0013	Restricted	6,742,762,219.04	NRC Sec. 51.401 and Sec. 51.402	

Note 33

VLB LOAN PROGRAMS

PROGRAM OVERVIEW

The Veterans Land Board (VLB) offers two programs to eligible Texas veterans - the Housing Assistance Program and the Land Program. The Housing Assistance Program consists of the Housing Program to be used toward the purchase of homes in the state and the Home Improvement Program to be used toward making qualified improvements to homes in the state. The Land Program consists of purchasing land for resale to veterans or making land mortgage loans to veterans.

HOUSING PROGRAM

Loans Offered

The VLB offers housing mortgage loans (HAP) up to \$510,400 for the purchase of single-family residences. This limit is set by the Federal Housing Finance Agency for one-unit properties for loans issued in 2020 and is adjusted yearly for inflation. Home loan terms vary from 15 to 30 years. As of August 21, 2020, approximately 83% of the dollar volume of total loans under the VLB Loan Programs is for HAP loans.

The VLB offers home improvement loans (HIP) of up to \$50,000 for a 2 to 20-year term, or loans up to \$10,000 for a 2 to 10-year term. HIP loans can be secured or unsecured with collateral requirements for the former. The program makes a limited amount of HIP loans. As of August 31, 2020, approximately 2% of the dollar volume of loans issued under the VLB Loan Programs is for HIP loans.

Loan Issuance

Loans are purchased by the Board with money from bonds (certificates) issued through the Housing Funds and are originated with independent Board-approved lending institutions (Master Servicer). The Master Servicer of the loans retains a guarantee and servicing fee on the loans and the remaining principal and interest payments are used by the board as a source of payments on the certificates. These institutions make loans after an underwriting process that includes, but is not limited to, a review of credit history, verifiable income, and the amount and source of down payment.

Program Interest Rates

Interest rates are determined at loan origination date. Veterans with a VA service-connected disability rating of 30% or greater qualify for a discounted interest rate. The program's policy has been to leave the interest rate fixed at the rate in effect when the loan was originated. As of August 31, 2020, interest rates on HAP and HIP loans ranged from 0% - 9.97% with an average rate of 3.64%.

Program Insurance

Loans with a loan-to-value (LTV) of 80% and above are required to be insured either through private mortgage insurance (Conventional PMI), Federal Housing Authority (FHA), or through the guaranty program of the United States Department of Veterans Affairs (USDVA). These insurers insure either first or second lien mortgages or both. Although the Board has purchased second lien mortgages in the past, its present policy is to only purchase first lien mortgages.

Conventional PMI (private insurer) insures first and second lien mortgages. If a home loan insured by a private insurer goes into default, the private insurer has the option of purchasing the related residence or paying under its insurance policy. When the title to the property is taken by the private insurer, 100% of the unpaid principal, accrued interest and foreclosure expenses is recovered from the private insurer. When the property is sold by the Master Servicer, 20% to 25% of the unpaid principal, accrued interest and foreclosure expenses is recovered from the private insurer. Foreclosure sale proceeds and insurance collected minimize risk of loss on mortgage and home improvement loans insured by private insurers.

FHA insures first and second lien mortgages under the U.S. Department of Housing and Urban Development (HUD) Title I Insurance Program. For HAP loans in default, HUD reimburses 100% of the principal balance and interest from 30 days after the due date with a 60-day interest curtailment. HUD also pays two-thirds of foreclosure attorney costs and 100% of all other expense. For HIP loans in default, HUD reimburses 90% of the delinquent balance. The remaining 10% is absorbed by the investor.

USDVA insures first lien mortgages. If a home loan insured by the VA goes into default, the VA has the option of accepting or not accepting conveyance of the property. For VA-insured HAP loans in which VA accepts conveyance, the VA pays 100% of principal plus interest through the date of the claim payment as well as specific expenses allowed per the VA guidelines. Expenses may be curtailed if they are outside of VA guidelines or incurred outside of the VA established timeline. For the VA HAP loans where the VA does not accept conveyance, the VA pays based on percentages established under their Guaranty Agreement, which is usually 25%. The VLB HAP program would be responsible for selling the property and is entitled to all proceeds from the sale. Loans receivable by insurance and lien type are presented in **Table 35** on page 90.

Origination History

From the inception of the Housing Program in 1984 through August 31, 2020, a total of 98,586 home loans aggregating \$11,768,221,652.74 and 6,443 home improvement loans aggregating \$127,522,991.25 have been made to veterans. During the fiscal year, 1,469 home loans for an aggregate principal amount of \$422,209,530.38 and 207 home improvement loans for an aggregate principal amount of \$6,739,359.13 were made to veterans in the state as shown in **Table 34** on page 89.

As of August 31, 2020, there were 9,667 HAP loans with an outstanding principal balance of \$1,840,572,929.51 on the administrator's books. Adjusted for timing differences of (\$240,726.83), the outstanding principal balance of \$1,840,332,192.68, as presented in Exhibit III.

As of August 31, 2020, there were 1,647 HIP loans with an outstanding principal balance of \$36,445,667.62 on the administrator's books. Adjusted for timing differences of \$831,981.37, the outstanding principal balance is \$37,277,648.99 as presented in Exhibit III.

LAND PROGRAM

Loans Offered

The Veterans Land Loan Program provides Texas veterans with the opportunity to purchase land at below-market interest rates while only requiring a minimum 5% down payment. The Land Program offers loans of up to \$150,000 for the purchase of a tract of at least one acre and for a maximum term of 30 years. As of August 31, 2020, approximately 15% of the dollar volume of total loans under the VLB Loans Program is for land loans.

Loan Issuance

Loans are purchased by the VLB with money from bonds (certificates) issued through the Land Funds and are originated with independent Board-approved lending institutions (Master Servicer). The Master Servicer of the loans retains a guarantee and servicing fee on the loans, while the remaining principal and interest payments are used by the Board as the source of payments on the certificates. Such loans are made after the value of the land to be purchased is determined, inspected by an appraiser, and the application is reviewed and approved by the Board and its staff. These loans were traditionally originated in contract for deed form (contract form). Effective December 1, 2007, the VLB discontinued making land loans in the contract form and instead began making all land loans solely pursuant to a promissory note secured by a deed of trust (mortgage form).

Interest Rates

Interest rates are determined at loan origination date. Veterans with a VA service-connected disability rating of 30% or greater qualify for a discounted interest rate. The program's policy has been to leave the interest rate fixed at the rate in effect when the loan was originated. As of August 31, 2020, interest rates on land loans ranged from 0% - 10.80% with an average rate of 7.03%.

Land Program Insurance

Land mortgage loans under the Land Program are uninsured. If a veteran defaults on a land loan in contract form, the VLB is entitled to declare the related land forfeited and resell the land to finance the purchase price of forfeited land tracts by veterans and non-veterans. If a veteran defaults on land in mortgage form, the land

will go through formal foreclosing proceedings, after which foreclosed land will be sold by the VLB.

Origination History

From the inception of the Land Program through August 31, 2020, 10,973 land loans have been funded. During the fiscal year, 862 land mortgage loans for an aggregate principal amount of \$74,344,120.03 were made to veterans as shown in **Table 34** on page 89.

RECEIVABLES AGING & FORECLOSURES

If a veteran defaults on an installment payment due under the terms the loan, the lending institution servicing the loan may initiate a foreclosure action or make claims under applicable insurance policies for guarantees. If a property is defaulted on and foreclosed, it is the Board's policy to discontinue the accrual of interest on the property and carry the outstanding principal balance of the property on the financial statements.

Real estate acquired by repossession or real estate owned property (REO) is recorded at the lower of estimated fair value less estimated selling costs, or the carrying value of the related loan at the date of foreclosure. After repossession, the value of the underlying contract is written down through the allowance for uncollectible contracts to the estimated fair value. Any subsequent write-downs or gains on sales of foreclosures are charged against non-operating expense. Operating costs on foreclosed real estate are expensed as incurred. Costs incurred for physical improvements to foreclosed real estate are capitalized if the value is recoverable through future sale. Operating expenses of foreclosed properties, net of any related income, are included in other expenses.

The summary of delinquent and defaulted loans at August 31, 2020 is presented in **Table 36** on page 90. The summary of foreclosures at August 31, 2020 is presented in **Table 37** on page 91.

Table 34

HISTORY OF LOANS PURCHASED

As of August 31, 2020

Loan Type	2020		2019		2018		Total Average Loan Amount
	Loan Principal	Number of Loans	Loan Principal	Number of Loans	Loan Principal	Number of Loans	
Housing Mortgage	\$ 422,209,530.38	1,469	\$ 803,051,422.79	2,848	\$ 574,411,213.53	2,074	\$ 281,594.77
Home Improvement	6,739,359.13	207	7,418,023.25	227	8,548,768.70	281	\$ 31,756.85
Land Mortgage	74,344,120.03	862	70,000,130.40	858	86,073,852.82	1,105	\$ 81,563.93
Total Loans	\$ 503,293,009.54	2,538	\$ 880,469,576.44	3,933	\$ 669,033,835.05	3,460	\$ 394,915.55

COMPARISON OF 3-YEAR LOAN PROGRAM HISTORY

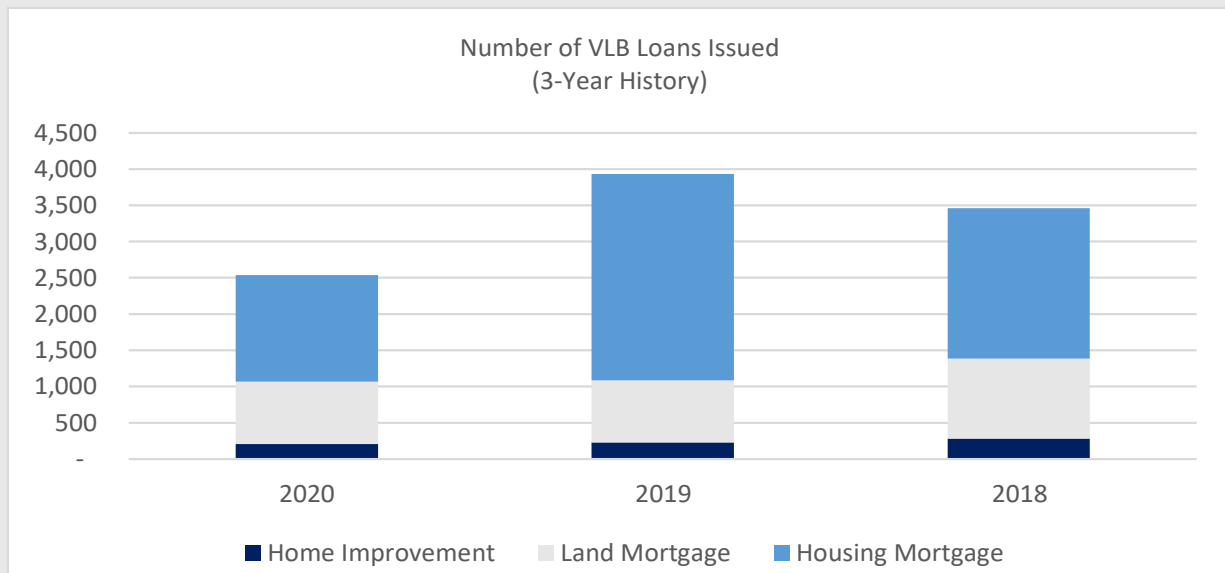
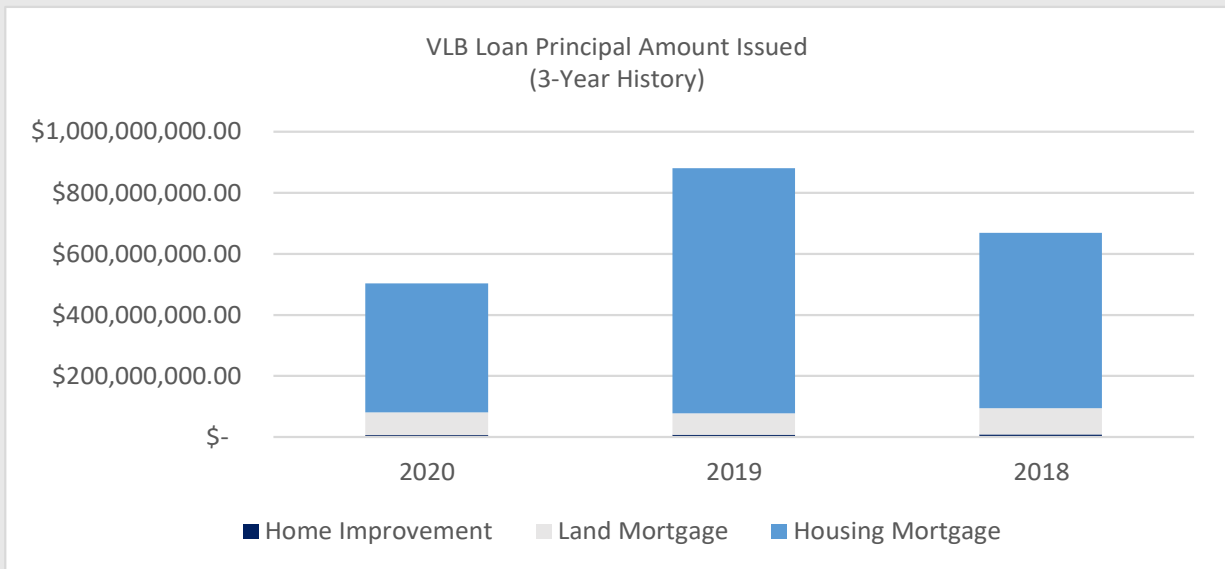


Table 35

LOAN PROGRAM DISAGGREGATION

At August 31, 2020

	Principal Receivable								Interest Receivable
	Uninsured		Conventional PMI		FHA		USDVA		Outstanding Interest Balance
	Outstanding Principal Balance	Number of Loans	Outstanding Principal Balance	Number of Loans	Outstanding Principal Balance	Number of Loans	Outstanding Principal Balance	Number of Loans	
Housing Mortgage									
1st Lien	21,466,059.32	154	144,442,529.33	1,119	18,647,487.67	192	1,655,019,822.71	8,173	25,745,742.03
2nd Lien	49,965.85	6	18,296.31	2	4,837.39	1	923,920.93	20	
Home Improvement									
1st Lien	1,910,466.54	52	-	-	859,941.38	51	-	-	277,107.16
2nd Lien	13,251,477.28	335	-	-	20,423,782.42	1209	-	-	
Land Loan									
1st Lien - Land Contract for Deed	38,200,236.34	3,269	-	-	-	-	-	-	365,668.79
Totals	\$363,676,284.75	7,979	144,460,825.64	1,121	\$39,936,048.86	1,453	\$1,655,943,743.64	8,193	\$28,156,966.44

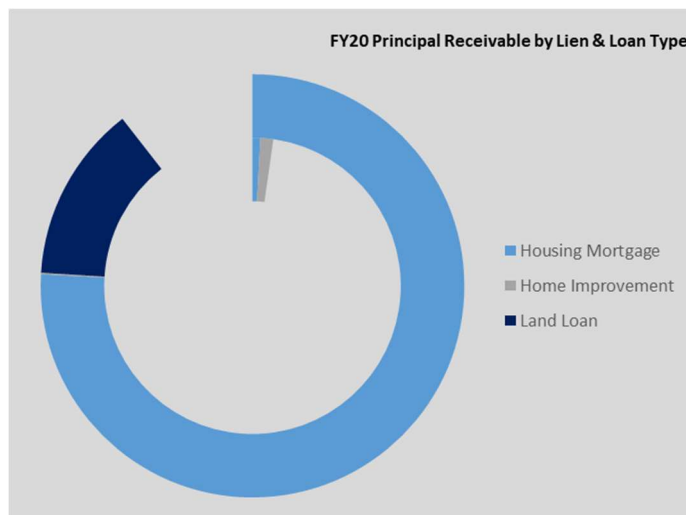
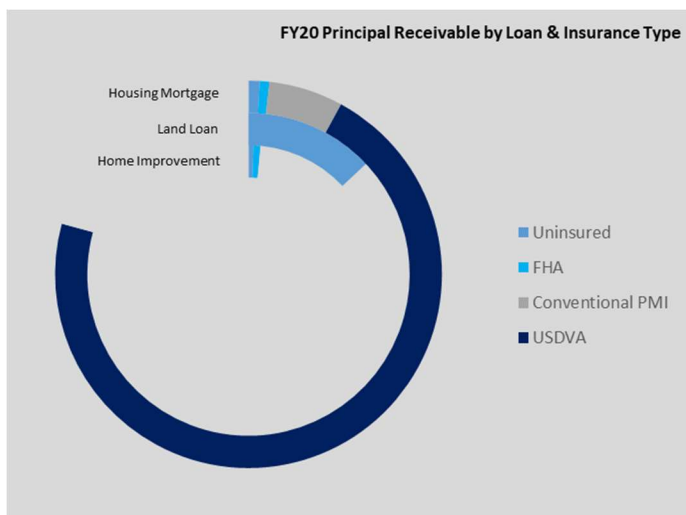


Table 36

DELINQUENT AND DEFAULTED LOANS

As of August 31, 2020

Loan Status	Housing Mortgage		Home Improvement Loan		Land Mortgage	
	Number of Loans	Principal Balance	Number of Loans	Principal Balance	Number of Loans	Principal Balance
		\$		\$		\$
Current	8,764	1,668,910,305.47	1,608	35,699,477.43	3,978	288,716,776.57
31 to 60 Days Delinquent	124	23,016,453.86	8	159,193.11	43	7,865.18
61 to 90 Days Delinquent	108	22,929,312.77	2	41,789.68	36	11,066.70
90+ Days Delinquent	458	98,228,021.94	12	314,700.69	106	62,370.97
In Foreclosure	82	10,315,548.50	-	-	-	-
In Bankruptcy Proceedings	105	16,655,340.09	11	135,950.82	-	-
Conveyed to Insurer/Guarantor	24	248,647.75	6	94,555.89	-	-
Real Estate Owned (REO)	2	269,289.13	-	-	-	-
Totals	9,667	\$ 1,840,572,919.51	1,647	\$ 36,445,667.62	4,163	\$ 288,798,079.42

Table 37

PROPERTY ACQUIRED THROUGH FORECLOSURE

As of August 31, 2020

<u>Loan Type</u>	<u>Number of Loans</u>	<u>Foreclosed/ Forfeited</u>	<u>Outstanding Principal Balance of Foreclosures</u>	<u>Total Principal Balance of Loan Type</u>	<u>Percent of Total Principal Balance</u>
Housing Mortgage	9,667	82	\$ 10,315,548.50	\$ 1,840,572,919.51	0.56%
Home Improvement	1,647	-	0.00	36,445,667.62	0.00%
Land Contract for Deed	3,269	41	597,415.80	38,200,236.34	1.56%
Land Mortgage	4,163	-	0.00	288,798,079.42	0.00%
Total	18,746	123	\$ 10,912,964.30	\$ 2,204,016,902.89	2%

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UNAUDITED

COMBINING FINANCIAL STATEMENTS

UNAUDITED ANNUAL FINANCIAL REPORT
AUGUST 31, 2020



UNAUDITED
Texas General Land Office and Veterans Land Board

EXHIBIT A-1

COMBINING BALANCE SHEET
GENERAL AND CONSOLIDATED FUNDS

August 31, 2020

(With comparative memorandum totals for August 31, 2019)

	GENERAL					
	GENERAL	HUD CDBG	HUD CDBG	HUD CDBG	HUD CDBG	FEMA IA
	REVENUE	TEXAS WILDFIRES	2015 FLOOD	2016 FLOOD	HARVEY	HARVEY HOUSING
	FUND (0001)	FUND (0001)	FUND (0001)	FUND (0001)	FUND (0001)	FUND (0001)
	U/F (0001)	U/F (1101)	U/F (1102)	U/F (1103)	U/F (1104)	U/F (1105)
ASSETS	\$	\$	\$	\$		
Current Assets:						
Cash on Hand						
Cash in Bank (Note 3)						
Cash in State Treasury						
Legislative Appropriation	219,987,531.23	(8,837.88)	(275,176.59)	(315,724.09)	(713,769.88)	1,623,552.90
Receivables:						
Federal	12,264.82	1,304,907.78	3,100,506.42	4,262,584.11	77,789,008.16	2,328,960.39
Interest and Dividends						
Accounts	51,003.31					
Due From:						
Other Funds	4,326,784.76		26,145.38	20,885.22	3,645,023.27	2,519.77
Other Agencies						
Consumable Inventories						
Prepaid Items	4,258.91				11,389.22	
Total Current Assets	224,381,843.03	1,296,069.90	2,851,475.21	3,967,745.24	80,731,650.77	3,955,033.06
Noncurrent Assets:						
Notes Receivable						
Total Noncurrent Assets	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL ASSETS	224,381,843.03	1,296,069.90	2,851,475.21	3,967,745.24	80,731,650.77	3,955,033.06
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Outflows of Resources						
TOTAL DEFERRED OUTFLOWS OF RESOURCES	0.00	0.00	0.00	0.00	0.00	0.00
LIABILITIES						
Current Liabilities:						
Payables:						
Accounts	2,276,050.05	1,304,610.62	2,987,116.63	4,182,905.66	75,613,507.18	310,509.70
Payroll	744,496.01		41,381.59	33,535.43	1,218,682.39	24,295.20
Due To:						
Other Funds	4,068.36	845.56	65,438.67	32,044.65	246,665.21	25,284.61
Other Agencies	12,264.82					
Unearned Revenues	157,365,087.82				425,391.22	1,568,657.82
Funds Held for Others						
Total Current Liabilities	160,401,967.06	1,305,456.18	3,093,936.89	4,248,485.74	77,504,246.00	1,928,747.33
TOTAL LIABILITIES	160,401,967.06	1,305,456.18	3,093,936.89	4,248,485.74	77,504,246.00	1,928,747.33
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows of Resources						
TOTAL DEFERRED INFLOWS OF RESOURCES	0.00	0.00	0.00	0.00	0.00	0.00
FUND FINANCIAL STATEMENT - FUND						
BALANCES						
Fund Balances (Note 1):						
Non-Spendable for Inventory						
Non-Spendable for Prepaid Items	4,258.91				11,389.22	
Restricted	12,264.82					
Committed						
Assigned						
Unassigned	63,963,352.24	(9,386.28)	(242,461.68)	(280,740.50)	3,216,015.55	2,026,285.73
TOTAL FUND BALANCES (Exhibit A-2)	63,979,875.97	(9,386.28)	(242,461.68)	(280,740.50)	3,227,404.77	2,026,285.73

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

UNAUDITED

GENERAL				
FEMA PA HARVEY PREPS FUND (0001) U/F (1106)	HUD CDBG MITIGATION FUND (0001) U/F (1107)	HUD CDBG 2018 FLOOD FUND (0001) U/F (1108)	HUD CDBG 2019 FLOOD FUND (0001) U/F (1109)	HUD CDBG DISASTER RECOVERY FUND (0001) U/F (1111)
				\$
13,609,867.81	(895,805.69)	(64,395.46)	(33,197.27)	1,985,032.14
				5,511,717.81
	168,244.16			68,585.06
<u>13,609,867.81</u>	<u>(727,561.53)</u>	<u>(64,395.46)</u>	<u>(33,197.27)</u>	<u>7,565,335.01</u>
<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<u>13,609,867.81</u>	<u>(727,561.53)</u>	<u>(64,395.46)</u>	<u>(33,197.27)</u>	<u>7,565,335.01</u>
<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	76,882.73	4,621.22	8,181.69	3,457,943.17
	210,793.48			57,311.03
	93,653.81	2,928.24	3,097.32	3,468,246.05
				1,636,146.51
				44,493.48
<u>0.00</u>	<u>381,330.02</u>	<u>7,549.46</u>	<u>11,279.01</u>	<u>8,664,140.24</u>
<u>0.00</u>	<u>381,330.02</u>	<u>7,549.46</u>	<u>11,279.01</u>	<u>8,664,140.24</u>
<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<u>13,609,867.81</u>	<u>(1,108,891.55)</u>	<u>(71,944.92)</u>	<u>(44,476.28)</u>	<u>(1,098,805.23)</u>
<u>13,609,867.81</u>	<u>(1,108,891.55)</u>	<u>(71,944.92)</u>	<u>(44,476.28)</u>	<u>(1,098,805.23)</u>

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UNAUDITED
Texas General Land Office and Veterans Land Board

EXHIBIT A-1 (concluded)

COMBINING BALANCE SHEET
GENERAL AND CONSOLIDATED FUNDS

August 31, 2020

(With comparative memorandum totals for August 31, 2019)

	CONSOLIDATED ACCOUNTS							
	COASTAL PROTECTION FUND (0027) U/F (0027)	COASTAL PUBLIC LAND MANAGEMENT FEE FUND (0450) U/F (0450)	VETERANS' LAND ADMIN. FEE FUND (0522) U/F (0522)	CAPITAL TRUST FUND (0543) U/F (0543)(0544)	LICENSE PLATE TRUST FUND (0802) U/F (0015)	DEDICATED ALAMO COMPLEX FUND (5152) U/F (5152)	ALAMO ECONOMIC STABILIZATION FUND (0599) U/F (5352)	DISASTER ECONOMIC STABILIZATION FUND (0599) U/F (3001)
	\$	\$	\$	\$	\$	\$	\$	
ASSETS								
Current Assets:								
Cash on Hand			200.00					
Cash in Bank (Note 3)			10,000.00					
Cash in State Treasury	10,636,228.39	764,403.22	6,531,660.12	4,084,626.92		5,084,096.49		
Legislative Appropriation Receivables:								
Federal	1,146,351.36							
Interest and Dividends	6,468.68		3,516.58		17.93	2,647.52		
Accounts	8,814.43	8,548.80		16,790.00	22.00	128,856.50		
Due From:								
Other Funds	5,652.44		23.21	153,038.25		129.96		
Other Agencies	192,090.02						774,232.04	1,535.00
Consumable Inventories								
Prepaid Items	2,882.72		1,034.36			832,435.56		
Total Current Assets	11,998,488.04	772,952.02	6,546,434.27	4,254,455.17	39.93	6,048,166.03	774,232.04	1,535.00
Noncurrent Assets:								
Notes Receivable								
Total Noncurrent Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL ASSETS	11,998,488.04	772,952.02	6,546,434.27	4,254,455.17	39.93	6,048,166.03	774,232.04	1,535.00
DEFERRED OUTFLOWS OF RESOURCES								
Deferred Outflows of Resources								
TOTAL DEFERRED OUTFLOWS OF RESOURCES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LIABILITIES								
Current Liabilities:								
Payables:								
Accounts	677,225.02	1,179.48	111,562.17		39.93	128,473.41	763,243.99	1,535.00
Payroll	633,279.69	28,109.17	1,355,105.31			83,689.82	10,988.05	
Due To:								
Other Funds	4,229,790.97							
Other Agencies	332,488.79			8,701.01				
Unearned Revenues	1,600.00	175,549.08				29,289.64		
Funds Held for Others								
Total Current Liabilities	5,874,384.47	204,837.73	1,466,667.48	8,701.01	39.93	241,452.87	774,232.04	1,535.00
TOTAL LIABILITIES	5,874,384.47	204,837.73	1,466,667.48	8,701.01	39.93	241,452.87	774,232.04	1,535.00
DEFERRED INFLOWS OF RESOURCES								
Deferred Inflows of Resources								
TOTAL DEFERRED INFLOWS OF RESOURCES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FUND FINANCIAL STATEMENT - FUND BALANCES								
Fund Balances (Note 1):								
Non-Spendable for Inventory								
Non-Spendable for Prepaid Items	2,882.72		1,034.36			832,435.56		
Restricted			5,078,732.43					
Committed	6,121,220.85	568,114.29		4,245,754.16		4,974,277.60		
Assigned								
Unassigned								
TOTAL FUND BALANCES (Exhibit A-2)	6,124,103.57	568,114.29	5,079,766.79	4,245,754.16	0.00	5,806,713.16	0.00	0.00

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

UNAUDITED

CUSTODIAL ACCOUNTS					TOTALS	
DEPARTMENTAL SUSPENSE FUND (0900) U/F (0900)(0902)	DIRECT DEPOSIT CORRECTION ACCOUNT FUND (0980) U/F (0980)(0981)	CHILD SUPPORT ADDENDA DEDUCTS OFFSET ACCOUNT FUND (0807) U/F (8070)	PURCH/LEASE LAND VAC TRUST ACCOUNT FUND (0873) U/F (0873)	UNAPPROPRIATED RECEIPTS FUND (0001) U/F (0111)	(EXH. I)	
\$	\$	\$	\$	\$	2020	2019
					200.00	200.00
					10,000.00	10,000.00
99,710.34		7,565.26	26,123.67		27,234,414.41	34,399,921.44
					234,899,077.22	139,938,189.86
					95,456,300.85	56,303,594.77
					12,650.71	49,202.42
					214,035.04	171,373.14
262,549.61				56,740.73	8,736,321.82	431,236.78
					967,857.06	135,399.09
					0.00	31,986.15
					852,000.77	861,667.03
362,259.95	0.00	7,565.26	26,123.67	56,740.73	368,382,857.88	232,332,770.68
					0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
362,259.95	0.00	7,565.26	26,123.67	56,740.73	368,382,857.88	232,332,770.68
					0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
70,522.69					91,976,110.34	42,393,234.54
					4,441,667.17	4,047,809.02
168,655.58				3.12	8,340,722.15	754,610.57
					1,989,601.13	1,596,660.61
123,081.68					159,733,150.74	82,947,652.27
					0.00	38,242.70
362,259.95	0.00	0.00	0.00	3.12	266,481,251.53	131,778,209.71
362,259.95	0.00	0.00	0.00	3.12	266,481,251.53	131,778,209.71
					0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
					0.00	31,986.15
					852,000.77	861,667.03
					5,090,997.25	3,701,740.20
					15,909,366.90	29,477,326.16
		7,565.26	26,123.67	56,737.61	90,426.54	0.00
					79,958,814.89	66,481,841.43
0.00	0.00	7,565.26	26,123.67	56,737.61	101,901,606.35	100,554,560.97

UNAUDITED
Texas General Land Office and Veterans Land Board

EXHIBIT A-2

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GENERAL AND CONSOLIDATED FUNDS

For the Year Ended August 31, 2020

(With comparative memorandum totals for the year ended August 31, 2019)

	GENERAL					
	GENERAL	HUD CDRG	HUD CDRG	HUD CDRG	HUD CDRG	FEMA IA
	REVENUE FUND (0001) U/F (0001)	TEXAS WILDFIRES FUND (0001) U/F (1101)	2015 FLOOD FUND (0001) U/F (1102)	2016 FLOOD FUND (0001) U/F (1103)	HARVEY FUND (0001) U/F (1104)	HARVEY HOUSING FUND (0001) U/F (1105)
REVENUES	\$	\$	\$	\$		
Legislative Appropriations:						
Original	3,556,222.00					
Additional Appropriations	3,314,255.28					
Federal Revenues (Sch. 1A)	0.00	71,848.52	(71,652.80)	(68,224.68)	(2,432,403.61)	61,461.29
Federal Grant Pass-Through Revenues (Sch. 1A)	4,231,410.08	3,677,596.96	16,731,333.45	33,649,451.02	658,403,451.70	15,399,859.79
State Grant Pass-Through Revenues (Sch. 1-B)	84,994.66					
Licenses, Fees, and Permits	756,057.18					
Interest and Other Investment Income						
Land Income	36,905.80					
Sale of Goods and Services	107,409.00					
Other Revenues	3,671,930.81		25,540.00		8,125,557.27	(7,025,000.00)
TOTAL REVENUES	15,759,184.81	3,749,445.48	16,685,220.65	33,581,226.34	664,096,605.36	8,436,321.08
EXPENDITURES						
Salaries and Wages	4,775,073.28	8,571.20	400,754.68	342,541.72	10,207,824.93	573,319.08
Payroll Related Costs	1,309,005.88	2,312.85	109,442.93	99,146.43	2,792,817.32	146,620.35
Professional Fees and Services	11,682,639.15		7,783.71	966,149.76	378,582,450.41	(2,595,609.63)
Travel	59,704.94		1,789.41	1,403.18	129,917.83	594.97
Materials and Supplies	317,544.34		8,980.57	9,290.45	905,893.06	(72,328.03)
Communication and Utilities	204,839.21				161,437.76	432.36
Repairs and Maintenance	136,865.75		18.32	54.95	428,848.00	2,062.50
Rentals and Leases (Note 8)	51,088.41				2,292,889.41	
Printing and Reproduction	14,049.66				1,745.73	
Claims and Judgments (Note 17)						
Federal Grant Pass-Through Expenditures (Sch. 1A)					(865,586.49)	
State Grant Pass-Through Expenditures (Sch. 1B)						
Intergovernmental Payments	820,819.50	3,849,161.31	15,562,995.14	32,204,750.34	41,993,885.13	7,340,663.55
Public Assistance Payments	142,306.91		620,136.94		220,958,303.21	
Other Expenditures	7,018,040.99				766,755.34	2,030.00
Capital Outlay	59,331.45					
TOTAL EXPENDITURES	26,591,309.47	3,860,045.36	16,711,901.70	33,623,336.83	658,357,181.64	5,397,785.15
EXCESS (DEFICIENCY) OF						
REVENUES OVER EXPENDITURES	(10,832,124.66)	(110,599.88)	(26,681.05)	(42,110.49)	5,739,423.72	3,038,535.93
OTHER FINANCING SOURCES (USES)						
Transfers In	2,166,777.95					
Transfers Out	(1,643,417.08)					
Sale of Capital Assets	26,080.38					
Appropriations Lapsed	(1,861,050.54)					
TOTAL OTHER FINANCING SOURCES (USES)	(1,311,609.29)	0.00	0.00	0.00	0.00	(0.00)
NET CHANGE IN FUND BALANCE	(12,143,733.95)	(110,599.88)	(26,681.05)	(42,110.49)	5,739,423.72	3,038,535.93
FUND FINANCIAL STATEMENT - FUND BALANCES						
FUND BALANCES - August 31, 2019	76,123,609.92	101,213.60	(215,780.63)	(238,630.01)	(2,512,018.95)	(1,012,250.20)
Restatements (Note 14)						
FUND BALANCE - August 31, 2019, As Restated	76,123,609.92	101,213.60	(215,780.63)	(238,630.01)	(2,512,018.95)	(1,012,250.20)
FUND BALANCES - August 31, 2020 (Exhibit A-1)	63,979,875.97	(9,386.28)	(242,461.68)	(280,740.50)	3,227,404.77	2,026,285.73

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

UNAUDITED

FEMA PA HARVEY PREPS FUND (0001) U/F (1106)	HUD CDBG MITIGATION FUND (0001) U/F (1107)	HUD CDBG 2018 FLOOD FUND (0001) U/F (1108)	HUD CDBG 2019 FLOOD FUND (0001) U/F (1109)	HUD CDBG DISASTER RECOVERY FUND (0001) U/F (1111)
			5	
	(271,529.12)	(10,853.36)	(5,657.68)	247,934.54
11,796,828.64				75,921,313.18
1,287,432.03				86,005.42
13,084,260.67	(271,529.12)	(10,853.36)	(5,657.68)	76,255,253.14
(82,546.12)	1,006,885.67	40,039.28	24,067.63	734,078.22
(460.98)	267,608.85	11,302.94	6,569.28	217,549.10
(87,914.52)	189,814.68			6,986,296.02
	4,909.98			7,532.62
	84,759.99			20,569.44
(2,281.00)	3,581.63			7,292.08
	19,218.56			94,293.63
	15,188.13			14,292.59
				2,109,587.75
				64,606,109.95
				1,090,645.59
(15,722.97)	97,458.80	4,621.22	8,181.69	1,648.00
(188,925.59)	1,689,426.29	55,963.44	38,818.60	75,889,894.99
13,273,186.26	(1,960,955.41)	(66,816.80)	(44,476.28)	365,358.15
	954,554.01			21,467.56
(912,465.06)	(63,556.51)			
(912,465.06)	890,997.50	0.00	0.00	21,467.56
12,360,721.20	(1,069,957.91)	(66,816.80)	(44,476.28)	386,825.71
1,249,146.61	(38,933.64)	(5,128.12)	0.00	(1,485,630.94)
1,249,146.61	(38,933.64)	(5,128.12)	0.00	(1,485,630.94)
13,609,867.81	(1,108,891.55)	(71,944.92)	(44,476.28)	(1,098,805.23)

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UNAUDITED
Texas General Land Office and Veterans Land Board

EXHIBIT A-2 (concluded)

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GENERAL AND CONSOLIDATED FUNDS

For the Year Ended August 31, 2020

(With comparative memorandum totals for the year ended August 31, 2019)

	CONSOLIDATED ACCOUNTS							
	COASTAL PROTECTION FUND (0027)	COASTAL PUBLIC LAND MANAGEMENT FEE FUND (0450)	VETERANS' LAND ADMIN. FEE FUND (0522)	CAPITAL TRUST FUND (0543)	LICENSE PLATES TRUST FUND (0802)	DEDICATED ALAMO COMPLEX FUND (5152)	ALAMO ECONOMIC STABILIZATION FUND (0599)	DISASTER ECONOMIC STABILIZATION FUND (0599)
	U/F (0027)	U/F (0450)	U/F (0522)	U/F (0543)(0544)	U/F (0015)	U/F (5152)	U/F (5352)	U/F (3001)
REVENUES	\$	\$	\$	\$	\$	\$		
Legislative Appropriations:								
Original								
Additional Appropriations								
Federal Revenues (Sch. 1A)	2,944,520.21							
Federal Grant Pass-Through Revenues (Sch. 1A)	615,854.63							
State Grant Pass-Through Revenues (Sch. 1-B)								
Licenses, Fees, and Permits	21,435.84	351,870.84			26,747.03	1,573.00		
Interest and Other Investment Income	220,554.15		63,953.93		508.58	79,448.62		
Land Income				12,790.00				
Sale of Goods and Services				652,188.25		3,378,097.44		
Other Revenues	104,464.38		1,322.77			227,228.69		
TOTAL REVENUES	3,906,829.21	351,870.84	65,276.70	664,978.25	27,255.61	3,686,347.75	0.00	0.00
EXPENDITURES								
Salaries and Wages	5,693,262.30	200,431.07	14,330,968.71			378,342.78	99,868.86	
Payroll Related Costs	2,046,941.01	64,853.90	5,056,877.10			108,142.14	29,067.98	
Professional Fees and Services	1,552,716.48		827,024.98			3,402,149.90	7,833,468.35	10,105,534.19
Travel	94,409.96	0.18	58,747.17			5,314.97	1,016.38	17,298.48
Materials and Supplies	353,995.87	2,821.61	442,778.35		6,325.00	127.60	2,132.62	2,551.31
Communication and Utilities	198,403.66	6,939.70	214,755.57			151,148.00	2,257.27	768.50
Repairs and Maintenance	146,019.37	678.66	124,158.46	(4,000.00)		35,205.76	180.00	
Rentals and Leases (Note 8)	454,706.09		108,012.76			4,625.66	29,963.97	22,454.01
Printing and Reproduction	30,170.12		7,146.37		8,615.71	195.00		160.00
Claims and Judgments (Note 17)	4,777.00							
Federal Grant Pass-Through Expenditures (Sch. 1A)	1,553,633.17							
State Grant Pass-Through Expenditures (Sch. 1B)	101,533.09							
Intergovernmental Payments	437,754.21							37,770,260.52
Public Assistance Payments	251,816.46				11,354.28			
Other Expenditures	1,740,014.65	8,350.81	1,541,814.08		1,891.57	(592,043.67)	3,642,904.03	890,150.46
Capital Outlay	315,276.88		136,882.25				1,082,873.70	785.37
TOTAL EXPENDITURES	14,975,430.32	284,075.93	22,849,165.80	(4,000.00)	28,186.56	3,493,208.14	12,723,733.16	48,809,962.84
EXCESS (DEFICIENCY) OF								
REVENUES OVER EXPENDITURES	(11,068,601.11)	67,794.91	(22,783,889.10)	668,978.25	(930.95)	193,139.61	(12,723,733.16)	(48,809,962.84)
Transfers In	39,586.81		29,288,503.92		930.95	162,165.00	97,464,850.45	156,572,349.47
Transfers Out			(2,183,027.17)	(3,502,903.62)		(162,165.00)	(82,235,844.62)	(107,762,386.63)
Sale of Capital Assets	10,610.26		23.21					
Appropriations Lapsed								
TOTAL OTHER FINANCING SOURCES (USES)	50,197.07	0.00	27,105,499.96	(3,502,903.62)	930.95	0.00	15,229,005.83	48,809,962.84
NET CHANGE IN FUND BALANCE	(11,018,404.04)	67,794.91	4,321,610.86	(2,833,925.37)	0.00	193,139.61	2,505,272.67	0.00
FUND FINANCIAL STATEMENT - FUND BALANCES								
FUND BALANCES - August 31, 2019	17,142,507.61	500,319.38	758,155.93	7,079,679.53	0.00	5,613,573.55	(2,505,272.67)	0.00
Restatements (Note 14)								
FUND BALANCE - August 31, 2019, As Restated	17,142,507.61	500,319.38	758,155.93	7,079,679.53	0.00	5,613,573.55	(2,505,272.67)	0.00
FUND BALANCES - August 31, 2020 (Exhibit A-1)	6,124,103.57	568,114.29	5,079,766.79	4,245,754.16	0.00	5,806,713.16	0.00	0.00

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

UNAUDITED

CUSTODIAL ACCOUNTS						TOTALS	
DEPARTMENTAL	DIRECT DEPOSIT	CHILD SUPPORT	PURCH/LEASE	UNAPPROPRIATED	(EXH. II)		
SUSPENSE	CORRECTION	ADDENDA DEDUCTS	LAND VAC TRUST	RECEIPTS	2020	2019	
FUND (0900)	ACCOUNT	OFFSET ACCOUNT	ACCOUNT	FUND (0001)			
U/F (0900)(0902)	FUND (0980)	FUND (0807)	FUND (0873)	FUND (0111)			
\$	\$	\$	\$	\$	\$	\$	
					3,556,222.00	892,117.00	
					835,178.38	2,948,748.10	
					806,727,526.31	291,864,364.74	
					16,644,093.35	42,013,465.84	
					84,994.66	0.00	
					1,157,683.89	7,708,639.03	
			558.93		365,024.21	634,308.23	
				(39,937.35)	9,758.45	(1,634,241.59)	
					4,137,694.69	5,906,014.61	
		91,309.12			7,191,298.94	4,723,015.59	
0.00	0.00	91,309.12	558.93	555,571.10	840,709,474.88	355,056,431.55	
					38,733,483.29	38,086,878.49	
					12,267,797.08	12,431,173.70	
					419,452,503.48	112,291,653.49	
					382,640.07	739,339.59	
					2,085,442.18	2,017,147.09	
					949,574.74	1,214,801.74	
					983,603.96	1,551,671.33	
					2,993,221.03	2,558,898.25	
					62,082.59	158,694.34	
					4,777.00	6,243.07	
					2,797,634.43	3,588,126.88	
					101,533.09	92,373.74	
					204,586,399.65	123,459,912.51	
					223,074,563.39	31,266,950.73	
		91,345.12	5,076.70		15,212,516.82	11,899,694.51	
					1,595,149.65	1,133,088.84	
0.00	0.00	91,345.12	5,076.70	0.00	925,282,922.45	342,496,648.30	
0.00	0.00	(36.00)	(4,517.77)	555,571.10	(84,573,447.57)	12,559,783.25	
					286,671,186.12	40,062,123.71	
				(498,833.49)	(198,964,599.18)	(59,138,439.04)	
					36,713.85	14,367.83	
					(1,861,050.54)	(3,156,461.44)	
0.00	0.00	0.00	0.00	(498,833.49)	85,882,250.25	(22,218,408.94)	
0.00	0.00	(36.00)	(4,517.77)	56,737.61	1,308,802.68	(7,697,604.29)	
0.00	0.00	7,601.26	30,641.44	0.00	100,592,803.67	108,291,992.20	
					0.00	(39,826.94)	
0.00	0.00	7,601.26	30,641.44	0.00	100,592,803.67	108,252,165.26	
0.00	0.00	7,565.26	26,123.67	56,737.61	101,901,606.35	100,554,560.97	

UNAUDITED
Texas General Land Office and Veterans Land Board

EXHIBIT B-1

COMBINING BALANCE SHEET

SPECIAL REVENUE FUNDS

August 31, 2020

(With comparative memorandum totals for August 31, 2019)

	TEXAS STATE VETERANS CEMETERIES FUND (0374) U/F (6000)	TEXAS STATE VETERANS CEMETERIES FUND (0374) U/F (6001)	TEXAS STATE VETERANS CEMETERIES FUND (0374) U/F (6002)	TEXAS STATE VETERANS CEMETERIES FUND (0374) U/F (6003)
ASSETS	\$	\$	\$	\$
Current Assets:				
Cash (Note 3):				
Cash in State Treasury	10.14	682,270.78	1,191,009.75	90,054.68
Receivables:				
Federal			583,019.31	369,068.89
Interest and Dividends		426.14	692.52	75.27
Accounts Receivable		(22,529.00)	(30,548.00)	(16,665.00)
Due From:				
Other Funds		22,539.14	30,548.00	16,665.00
Consumable Inventories				
Total Current Assets	10.14	682,707.06	1,774,721.58	459,198.84
TOTAL ASSETS	10.14	682,707.06	1,774,721.58	459,198.84
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Current Liabilities:				
Payables:				
Vouchers and Accounts Payroll		13,126.36	258,181.22	94,499.84
Payroll		102,484.94		
Due To:				
Other Funds	10.14		349,746.31	129,418.89
Other Agencies				
Unearned Revenues		13,854.00		
Total Current Liabilities	10.14	129,465.30	607,927.53	223,918.73
TOTAL LIABILITIES	10.14	129,465.30	607,927.53	223,918.73
FUND FINANCIAL STATEMENT - FUND BALANCES				
Fund Balances (Note 1):				
Restricted		553,241.76	1,166,794.05	235,280.11
TOTAL FUND BALANCES (Exhibit B-2)	0.00	553,241.76	1,166,794.05	235,280.11
TOTAL LIABILITIES AND FUND BALANCES	10.14	682,707.06	1,774,721.58	459,198.84

*HB2521, 84th Legislature, Regular Session amended Chapter 32 of the Natural Resources Code to deposit payments received from leases of the state's oil and natural gas mineral interests from land under county roads to the new state county road oil and gas fund (fund 0808).

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

UNAUDITED

TEXAS STATE VETERANS CEMETERIES FUND (0374) U/F (6004)	TEXAS STATE VETERANS CEMETERIES FUND (0374) U/F (6005)	TEXAS STATE VETERANS CEMETERIES FUND (0374) U/F (6666)	COUNTY RIGHT-OF-WAY FUND (0808) U/F (7000-7077)*	TOTALS (EXH. I)	
				2020	2019
\$	\$	\$	\$	\$	\$
964,752.95	1,742,219.61	345.00	1,344,020.43	6,014,683.34	3,969,437.60
303,738.05	491,507.79			1,747,334.04	2,987,838.14
418.60	696.22		753.87	3,062.62	7,271.33
(22,238.00)	(32,427.00)		261,542.98	137,135.98	688,042.95
22,238.00	45,055.83		10.28	137,056.25	186,692.77
				0.00	467.40
<u>1,268,909.60</u>	<u>2,247,052.45</u>	<u>345.00</u>	<u>1,606,327.56</u>	<u>8,039,272.23</u>	<u>7,839,750.19</u>
<u>1,268,909.60</u>	<u>2,247,052.45</u>	<u>345.00</u>	<u>1,606,327.56</u>	<u>8,039,272.23</u>	<u>7,839,750.19</u>
136,644.03	239,792.26			742,243.71	819,709.15
				102,484.94	115,197.22
299,103.05	252,127.79		10.28	1,030,416.46	2,310,060.98
			1,461,366.56	1,461,366.56	3,692,670.59
				13,854.00	0.00
<u>435,747.08</u>	<u>491,920.05</u>	<u>0.00</u>	<u>1,461,376.84</u>	<u>3,350,365.67</u>	<u>6,937,637.94</u>
<u>435,747.08</u>	<u>491,920.05</u>	<u>0.00</u>	<u>1,461,376.84</u>	<u>3,350,365.67</u>	<u>6,937,637.94</u>
833,162.52	1,755,132.40	345.00	144,950.72	4,688,906.56	902,112.25
833,162.52	1,755,132.40	345.00	144,950.72	4,688,906.56	902,112.25
<u>1,268,909.60</u>	<u>2,247,052.45</u>	<u>345.00</u>	<u>1,606,327.56</u>	<u>8,039,272.23</u>	<u>7,839,750.19</u>

UNAUDITED
Texas General Land Office and Veterans Land Board

EXHIBIT B-2

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

SPECIAL REVENUE FUNDS

For the Year Ended August 31, 2020

(With comparative memorandum totals for the year ended August 31, 2019)

	TEXAS STATE VETERANS CEMETERIES FUND (0374) U/F (6000)	TEXAS STATE VETERANS CEMETERIES FUND (0374) U/F (6001)	TEXAS STATE VETERANS CEMETERIES FUND (0374) U/F (6002)	TEXAS STATE VETERANS CEMETERIES FUND (0374) U/F (6003)
	\$	\$	\$	\$
REVENUES				
Federal Revenues			882,345.31	347,942.89
Interest and Other Investment Income		3,973.86	28,022.18	2,698.04
Land Income				
Sale of Goods and Services				
Other Revenues				1,200.00
TOTAL REVENUES	0.00	3,973.86	910,367.49	351,840.93
EXPENDITURES				
Salaries and Wages		1,176,354.22		
Payroll Related Costs		359,642.61		
Professional Fees and Services		22,420.18	91,045.95	177,034.56
Travel		11,355.61		1,066.85
Materials and Supplies		11,988.79	116,682.00	58,542.28
Communication and Utilities		18,488.61	105,781.73	24,822.92
Repairs and Maintenance		2,827.42	26,705.90	32,889.13
Rentals and Leases (Note 8)		13,609.92	31,745.82	11,360.20
Printing and Reproduction		9.39	771.46	
Other Expenditures		23,493.79	1,411,743.90	596,523.98
Debt Service:				
Capital Outlay			261,934.12	52,733.21
TOTAL EXPENDITURES	0.00	1,640,190.54	2,046,410.88	954,973.13
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	0.00	(1,636,216.68)	(1,136,043.39)	(603,132.20)
OTHER FINANCING SOURCES (USES)				
Transfers In		2,234,400.99	1,639,591.49	808,337.51
Transfers Out		(45,409.95)	663,245.95	(181,178.89)
TOTAL OTHER FINANCING SOURCES (USES)	0.00	2,188,991.04	2,302,837.44	627,158.62
NET CHANGE IN FUND BALANCE	0.00	552,774.36	1,166,794.05	24,026.42
FUND FINANCIAL STATEMENT - FUND BALANCES				
FUND BALANCES - August 31, 2019	0.00	467.40		211,253.69
Restatements (Note 14)				
Fund Balances - August 31, 2019, As Restated	0.00	467.40	0.00	211,253.69
Appropriations Lapsed				
FUND BALANCES - August 31, 2020 (Exhibit B-1)	0.00	553,241.76	1,166,794.05	235,280.11

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

UNAUDITED

TEXAS STATE VETERANS CEMETERIES FUND (0374) U/F (6004)	TEXAS STATE VETERANS CEMETERIES FUND (0374) U/F (6005)	TEXAS STATE VETERANS CEMETERIES FUND (0374) U/F (6666)	COUNTY RIGHT-OF-WAY FUND (0808) U/F (7000-7077)*	TOTALS (EXH. II)	
\$	\$	\$	\$	2020	2019
1,190,383.49	1,881,097.21			4,301,768.90	5,508,538.67
2,647.36	2,123.66		33,473.16	72,938.26	73,060.96
			3,420,840.56	3,420,840.56	6,580,698.66
				0.00	(405.00)
1,065.00	2,586.53	(25,460.00)		(20,608.47)	30,379.00
1,194,095.85	1,885,807.40	(25,460.00)	3,454,313.72	7,774,939.25	12,192,272.29
				1,176,354.22	1,077,534.34
169,700.95	126,243.21			359,642.61	661,571.03
1,221.21	624.21			586,444.85	1,653,323.40
70,126.32	142,257.36			14,267.88	26,456.43
29,158.50	26,769.10			399,596.75	319,053.89
16,408.93	40,208.07			205,020.86	110,898.35
2,831.47	8,939.32			119,039.45	59,096.47
297.39				68,486.73	30,626.30
710,137.98	871,501.65			1,078.24	183.37
				3,613,401.30	1,556,140.90
987,752.92	1,633,307.68			2,935,727.93	2,533,193.94
1,987,635.67	2,849,850.60	0.00	0.00	9,479,060.82	8,028,078.42
(793,539.82)	(964,043.20)	(25,460.00)	3,454,313.72	(1,704,121.57)	4,164,193.87
1,899,532.21	2,798,965.87			9,380,828.07	6,716,953.44
(287,900.05)	(152,295.02)		(3,886,374.23)	(3,889,912.19)	(10,646,297.11)
1,611,632.16	2,646,670.85	0.00	(3,886,374.23)	5,490,915.88	(3,929,343.67)
818,092.34	1,682,627.65	(25,460.00)	(432,060.51)	3,786,794.31	234,850.20
15,070.18	72,504.75	25,805.00	577,011.23	902,112.25	667,262.05
				0.00	0.00
15,070.18	72,504.75	25,805.00	577,011.23	902,112.25	667,262.05
833,162.52	1,755,132.40	345.00	144,950.72	4,688,906.56	902,112.25

UNAUDITED
Texas General Land Office and Veterans Land Board

EXHIBIT C-1

COMBINING BALANCE SHEET
PERMANENT FUNDS

August 31, 2020

(With comparative memorandum totals for August 31, 2019)

	PERMANENT FUNDS FUND (0044) U/F (0007)	PERMANENT FUNDS FUND (0044) U/F (0010)
ASSETS	\$	\$
Current Assets:		
Cash (Note 3):		
Cash in Bank		
Cash in State Treasury	48,413,660.71	49,835,559.33
Receivables:		
Interest and Dividends		
Accounts	20,796,947.98	975.00
Due From:		
Other Funds	2,952,265.70	
Prepaid Items	1,052.88	
Land Sale Notes Receivable		
Total Current Assets	72,163,927.27	49,836,534.33
Noncurrent Assets:		
Land Sale Notes Receivable		
Investments in Real Assets at Fair Value (Note 3)		
Total Noncurrent Assets	0.00	0.00
TOTAL ASSETS	72,163,927.27	49,836,534.33
DEFERRED OUTFLOW OF RESOURCES		
Deferred Outflows of Resources		
TOTAL DEFERRED OUTFLOW OR RESOURCES	0.00	0.00
LIABILITIES		
Current Liabilities:		
Payables:		
Vouchers and Accounts	148,473.52	274,804.25
Payroll	1,241,674.27	
Interest		
Other Funds		10,164.47
Unearned Revenues	4,944,032.39	6,969,842.48
Total Current Liabilities	6,334,180.18	7,254,811.20
Non-Current Liabilities:		
Total Non-Current Liabilities	0.00	0.00
TOTAL LIABILITIES	6,334,180.18	7,254,811.20
DEFERRED INFLOW OF RESOURCES		
Deferred Inflows of Resources		
TOTAL DEFERRED INFLOW OR RESOURCES	0.00	0.00
FUND FINANCIAL STATEMENT - FUND BALANCES		
Fund Balances (Note 1):		
Non-Spendable for Prepaid	1,052.88	
Restricted	65,828,694.21	42,581,723.13
TOTAL FUND BALANCES (Exhibit C-2)	65,829,747.09	42,581,723.13

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

UNAUDITED

PERMANENT FUNDS FUND (0044) U/F (0013)	TOTALS	
	(EXH. I)	
	2020	2019
\$	\$	
386,902.33	386,902.33	662,795.60
235,530,946.64	333,780,166.68	4,457,258,384.83
289,506.57	289,506.57	9,163,486.09
96,452,382.43	117,250,305.41	222,636,589.67
24,347.58	2,976,613.28	1,130,916.83
	1,052.88	413.90
17,141.38	17,141.38	15,827.70
332,701,226.93	454,701,688.53	4,690,868,414.62
57,514.57	57,514.57	74,655.91
6,568,682,135.00	6,568,682,135.00	7,746,716,457.59
6,568,739,649.57	6,568,739,649.57	7,746,791,113.50
6,901,440,876.50	7,023,441,338.10	12,437,659,528.12
	0.00	0.00
0.00	0.00	0.00
4,553,148.31	4,976,426.08	6,424,440.34
145,673.52	1,387,347.79	1,282,438.99
57,522.56	57,522.56	0.00
3,613,288.81	3,623,453.28	949,987.06
150,309,024.26	162,222,899.13	147,229,504.39
158,678,657.46	172,267,648.84	155,886,370.78
0.00	0.00	0.00
158,678,657.46	172,267,648.84	155,886,370.78
	0.00	0.00
0.00	0.00	0.00
	1,052.88	413.90
6,742,762,219.04	6,851,172,636.38	12,281,772,743.44
6,742,762,219.04	6,851,173,689.26	12,281,773,157.34

UNAUDITED
Texas General Land Office and Veterans Land Board

EXHIBIT C-2

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

PERMANENT FUNDS

For the Year Ended August 31, 2020

(With comparative memorandum totals for the year ended August 31, 2019)

	PERMANENT FUNDS FUND (0044) U/F (0007)	PERMANENT FUNDS FUND (0044) U/F (0010)
REVENUES	\$	\$
Licenses, Fees, and Permits	980,545.33	
Interest and Other Investment Income	4,298,505.49	
Gain (Loss) on Sale of Sovereign Land		
Net Increase (Decrease) in Fair Value of Investments		
Land Income	9,622,805.64	5,996,392.43
Sales of Goods and Services		
Other Revenues	4,658,530.41	(76,211.82)
TOTAL REVENUES	<u>19,560,386.87</u>	<u>5,920,180.61</u>
EXPENDITURES/EXPENSES		
Salaries and Wages	12,909,437.77	
Payroll Related Costs	4,493,421.34	
Professional Fees and Services	1,923,581.73	2,126,027.87
Travel	48,473.85	(17,298.48)
Materials and Supplies	817,923.21	(2,551.31)
Communication and Utilities	509,912.90	(768.50)
Repairs and Maintenance	897,213.87	
Rentals and Leases	281,019.04	(22,454.01)
Printing and Reproduction	4,220.12	(160.00)
Public Assistance Payments		
Other Expenditures	528,624.47	(6,089,077.49)
Capital Outlay	53,975.55	
TOTAL EXPENDITURES/EXPENSES	<u>22,467,803.85</u>	<u>(4,006,281.92)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES	<u>(2,907,416.98)</u>	<u>9,926,462.53</u>
OTHER FINANCING SOURCES (USES)		
Transfers In	45,000.00	
Transfers Out	(65,000.00)	
Transfers Out to Available School Fund		
Transfers Out to Permanent School Fund Liquid Account		
Transfers Out to State Board of Education /TEA		
Insurance Recoveries		
Sale of Capital Assets	59.38	
TOTAL OTHER FINANCING SOURCES (USES)	<u>(19,940.62)</u>	<u>0.00</u>
NET CHANGE IN FUND BALANCE/NET POSITION	<u>(2,927,357.60)</u>	<u>9,926,462.53</u>
FUND FINANCIAL STATEMENT - FUND BALANCE		
FUND BALANCE - August 31, 2019	68,757,104.69	32,655,260.60
Restatements (Note 14)		
FUND BALANCE - August 31, 2019, As Restated	<u>68,757,104.69</u>	<u>32,655,260.60</u>
FUND BALANCE - August 31, 2020 (Exhibit C-1)	<u>65,829,747.09</u>	<u>42,581,723.13</u>

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

UNAUDITED

PERMANENT FUNDS FUND (0044) U/F (0013)	TOTALS	
	(EXH. II)	
	2020	2019
\$	\$	
768,737.11	1,749,282.44	1,548,771.13
94,183,551.77	98,482,057.26	194,439,107.94
2,766,216.32	2,766,216.32	1,385,535.84
(1,670,962,923.86)	(1,670,962,923.86)	1,000,712,544.33
778,915,286.33	794,534,484.40	1,068,633,338.98
54,346,651.63	54,346,651.63	57,252,937.05
(4,361,437.55)	220,881.04	325,747.93
<u>(744,343,918.25)</u>	<u>(718,863,350.77)</u>	<u>2,324,297,983.20</u>
1,676,342.68	14,585,780.45	12,097,031.11
298,306.57	4,791,727.91	3,578,972.06
699,495.56	4,749,105.16	4,415,582.03
8,974.75	40,150.12	163,668.05
50,093,252.51	50,908,624.41	58,003,414.99
116,124.74	625,269.14	330,873.34
	897,213.87	206,506.93
	258,565.03	265,660.81
151.54	4,211.66	2,506.08
	0.00	3,565.76
362,006.41	(5,198,446.61)	1,747,718.34
	53,975.55	604,142.74
<u>53,254,654.76</u>	<u>71,716,176.69</u>	<u>81,419,642.24</u>
<u>(797,598,573.01)</u>	<u>(790,579,527.46)</u>	<u>2,242,878,340.96</u>
215,000,000.00	215,045,000.00	6,958,167.71
0.00	(65,000.00)	(6,958,167.71)
(600,000,000.00)	(600,000,000.00)	(300,000,000.00)
(4,245,000,000.00)	(4,245,000,000.00)	0.00
(10,000,000.00)	(10,000,000.00)	(255,000,000.00)
	0.00	5,924.03
	59.38	0.00
<u>(4,640,000,000.00)</u>	<u>(4,640,019,940.62)</u>	<u>(554,994,075.97)</u>
<u>(5,437,598,573.01)</u>	<u>(5,430,599,468.08)</u>	<u>1,687,884,264.99</u>
12,180,360,792.05	12,281,773,157.34	10,156,077,292.35
	0.00	437,811,600.00
<u>12,180,360,792.05</u>	<u>12,281,773,157.34</u>	<u>10,593,888,892.35</u>
<u>6,742,762,219.04</u>	<u>6,851,173,689.26</u>	<u>12,281,773,157.34</u>

UNAUDITED
Texas General Land Office and Veterans Land Board

EXHIBIT D-1a

COMBINING STATEMENT OF NET POSITION

VETERANS' HOUSING ASSISTANCE PROGRAM PROPRIETARY FUNDS

August 31, 2020

(With comparative memorandum totals for August 31, 2019)

	VET BDS FUND (0529) U/F (0529)	VET BDS TAX REF FUND (0590) U/F (0590)	VET BDS TAX-EXEMPT FUND (0383) U/F (Note ¹)	VET BDS TAXABLE FUND (0384) U/F (0828)	VET HSG BDS RESERVE FUND (0527) U/F (0527)
	\$	\$	\$	\$	\$
ASSETS					
Current Assets:					
Cash and Cash Equivalents (Note 3)					
Cash in State Treasury	2,984,534.40	8,715,244.22	138,303,089.63	10,057,675.77	
Cash Equivalents	20,562,836.41	11,304,819.98	306,394,965.98	1,874,321.74	187,116.39
Securities Lending Collateral (Note 3)		5,100,000.00	63,919,175.00	5,100,000.00	
Investments - Securities at Market Value (Note 3)	38,023,861.20	21,991,318.50	389,959,777.95	61,987,950.00	1,500,600.00
Loans Receivables:					
Housing Mortgages	2,261,078.39	2,564,174.26	41,743,952.42	8,759,435.41	
Home Improvement Loans		181,465.92	736,526.40	1,035,058.94	
Interest and Dividends Receivables:					
Investment Interest	126,376.14	83,001.00	709,542.43	82,214.52	8,966.31
Housing Mortgages Interest	561,986.58	1,337,426.92	18,200,524.05	5,645,804.48	
Home Improvement Loans Interest		11,981.27	147,605.80	117,520.09	
Accounts Receivable (Net of Allowance for Uncollectibles)	(2,263,051.61)	14,154.42	2,246,323.98	10,201.49	
Due from Other Funds	1,282,001.12	4,923,010.59	750,152.93	75,600.19	
Prepaid Items					
Total Current Assets	63,539,622.63	56,226,597.08	963,111,636.57	94,745,782.63	1,696,682.70
Noncurrent Assets:					
Investments - Securities at Market Value (Note 3)	17,918,055.50	30,642,317.50	44,847,093.50	31,675,172.29	10,753,532.50
Loans Receivables:					
Housing Mortgages	73,181,493.86	78,384,867.51	1,349,931,509.67	283,505,681.16	
Home Improvement Loans		3,237,417.49	13,621,355.19	18,465,825.05	
Property Acquired Through Foreclosure - Housing Mortgages (Note 33)			269,289.13		
Total Noncurrent Assets	91,099,549.36	112,264,602.50	1,408,669,247.49	333,646,678.50	10,753,532.50
TOTAL ASSETS	154,639,171.99	168,491,199.58	2,371,780,884.06	428,392,461.13	12,450,215.20
DEFERRED OUTFLOW OF RESOURCES					
Deferred Outflow of Resources		8,099,232.90	263,514,200.32	51,475,817.59	
TOTAL DEFERRED OUTFLOW OF RESOURCES	0.00	8,099,232.90	263,514,200.32	51,475,817.59	0.00
LIABILITIES					
Current Liabilities:					
Accounts Payable	(780,041.27)	875,842.55	2,646,348.25	1,277,969.54	
Debt Service Interest Payable			2,413,153.65	42,911.57	
Due to Other Funds	4,894,535.23	363,935.96	307,263.02	1,094,956.07	
Unearned Revenues			144,226.90		
Bonds Payable (Net of Unamortized Discounts and Premiums)					
General Obligation		10,455,000.00	149,090,000.00	35,005,000.00	
Obligations Under Securities Lending (Note 3)		5,100,000.00	63,919,175.00	5,100,000.00	
Total Current Liabilities	4,114,493.96	16,794,778.51	218,520,166.82	42,520,837.18	0.00
Noncurrent Liabilities:					
Bonds Payable (Net of Unamortized Discounts and Premiums)					
General Obligation		77,360,000.00	2,202,410,000.00	326,185,000.00	
Hedging Derivative Instruments		8,099,232.90	263,514,200.32	51,475,817.59	
Total Noncurrent Liabilities	0.00	85,459,232.90	2,465,924,200.32	377,660,817.59	0.00
TOTAL LIABILITIES	4,114,493.96	102,254,011.41	2,684,444,367.14	420,181,654.77	0.00
DEFERRED INFLOW OF RESOURCES					
Deferred Inflow of Resources					
TOTAL DEFERRED INFLOW OF RESOURCES	0.00	0.00	0.00	0.00	0.00
NET POSITION					
Restricted for the Veterans' Land Board	150,524,678.03	74,336,421.07	(49,149,282.76)	59,686,623.95	12,450,215.20
TOTAL NET POSITION (Exhibit D-2a)	150,524,678.03	74,336,421.07	(49,149,282.76)	59,686,623.95	12,450,215.20

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

Note¹ U/F (0808 - 0826, 0831 - 0847)

UNAUDITED

VET HSG MORT RESERVE FUND (0528) U/F (0528)	TOTALS (EXH. III)	
	2020	2019
	\$	\$
	160,060,544.02	37,356,308.79
1,751,956.54	342,076,017.04	145,993,260.10
	74,119,175.00	8,878,390.00
3,007,825.00	516,471,332.65	58,680,199.00
	55,328,640.48	70,195,616.67
	1,953,051.26	1,984,958.21
83,180.23	1,093,280.63	876,607.28
	25,745,742.03	11,488,611.08
	277,107.16	156,550.73
	7,628.28	18,844.65
	7,030,764.83	14,677,544.16
	0.00	153,705.31
<u>4,842,961.77</u>	<u>1,184,163,283.38</u>	<u>350,460,595.98</u>
14,352,011.15	150,188,182.44	145,548,691.81
	1,785,003,552.20	2,558,598,706.61
	35,324,597.73	37,009,655.83
	269,289.13	53,872.06
<u>14,352,011.15</u>	<u>1,970,785,621.50</u>	<u>2,741,210,926.31</u>
<u>19,194,972.92</u>	<u>3,154,948,904.88</u>	<u>3,091,671,522.29</u>
	323,089,250.81	252,779,923.00
0.00	323,089,250.81	252,779,923.00
	4,020,119.07	3,588,590.40
	2,456,065.22	465,727.21
	6,660,690.28	14,664,848.06
	144,226.90	0.00
	194,550,000.00	186,301,171.92
	74,119,175.00	8,878,390.00
0.00	281,950,276.47	213,898,727.59
	2,605,955,000.00	2,601,508,652.58
0.00	323,089,250.81	252,779,923.00
0.00	2,929,044,250.81	2,854,288,575.58
0.00	3,210,994,527.28	3,068,187,303.17
	0.00	0.00
0.00	0.00	0.00
19,194,972.92	267,043,628.41	276,264,142.12
<u>19,194,972.92</u>	<u>267,043,628.41</u>	<u>276,264,142.12</u>

UNAUDITED
Texas General Land Office and Veterans Land Board

EXHIBIT D-1b

COMBINING STATEMENT OF NET POSITION
VETERANS' LAND PROGRAM PROPRIETARY FUNDS
August 31, 2020
(With comparative memorandum totals for August 31, 2019)

	VET LAND REF BDS REF SER '91 TAX '00, '02-'06, & '10D FUND (0571) U/F (0571) (9000) (9001)	VET LAND BDS REF SER '99A FUND (0626) U/F (0626)	VET LAND BDS TAX-EXEMPT FUND (0385) U/F (0852)
ASSETS	\$	\$	\$
Current Assets:			
Cash and Cash Equivalents (Note 3):			
Cash on Hand	200.00		
Cash in State Treasury	5,262,210.63	409,964.20	129,461.25
Cash Equivalents	27,405,065.08	0.00	1,214.47
Securities Lending Collateral (Note 3)	12,016,835.00		
Investments - Securities at Market Value (Note 3)	34,989,709.50		
Loans Receivables:			
Land Contracts	3,775,429.94	139,306.29	156,173.66
Land Mortgages	4,455,404.09		
Interest and Dividends Receivables:			
Investment Interest	627,263.16		68.97
Land Contracts	359,598.41	5,984.68	
Land Mortgages	1,760,717.06		7,731.40
Accounts Receivable (Net of Allowance for Uncollectibles)	693,712.75	170,302.87	
Due from Other Funds	1,130,576.96	7,241,889.05	
Total Current Assets	92,476,722.58	7,967,447.09	294,649.75
Noncurrent Assets:			
Investments - Securities at Market Value (Note 3)	141,608,533.60		
Derivative Instruments (Note 3)	(97,237.00)		
Loans Receivables:			
Land Contracts	31,109,796.83	814,426.84	1,963,155.06
Land Mortgages	284,342,675.33		
Property Acquired Through Foreclosure (Note 33)			
Land Contracts	245,000.98		
Depreciable Capital Assets (Note 2):			
Furniture and Equipment	121,421.57		
Less Accumulated Depreciation	(107,764.09)		
Non-Depreciable Capital Assets:			
Computer Software	162,578.15		
Less Accumulated Amortization	(162,578.15)		
Total Noncurrent Assets	457,222,427.22	814,426.84	1,963,155.06
TOTAL ASSETS	549,699,149.80	8,781,873.93	2,257,804.81
DEFERRED OUTFLOW OF RESOURCES			
Hedging Derivative Instruments	19,669,521.47	0.00	2,932,631.00
TOTAL DEFERRED OUTFLOW OF RESOURCES	19,669,521.47	0.00	2,932,631.00

TOTALS (EXH. III)	
2020	2019
\$	\$
200.00	200.00
5,801,636.08	7,211,746.91
27,406,279.55	29,004,427.82
12,016,835.00	20,404,287.50
34,989,709.50	30,221,334.50
4,070,909.89	4,751,721.37
4,455,404.09	3,993,541.79
627,332.13	14,943.13
365,583.09	757,363.80
1,768,448.46	0.00
864,015.62	525,575.96
8,372,466.01	9,731,278.77
<u>100,738,819.42</u>	<u>106,616,421.55</u>
141,608,533.60	162,931,154.50
(97,237.00)	(97,237.00)
33,887,378.73	42,624,406.55
284,342,675.33	266,215,072.24
245,000.98	734,829.30
121,421.57	121,421.57
(107,764.09)	(104,986.33)
162,578.15	162,578.15
(162,578.15)	(162,578.15)
<u>460,000,009.12</u>	<u>472,424,660.83</u>
<u>560,738,828.54</u>	<u>579,041,082.38</u>
22,602,152.47	23,106,460.00
<u>22,602,152.47</u>	<u>23,106,460.00</u>

UNAUDITED
Texas General Land Office and Veterans Land Board

EXHIBIT D-1b (concluded)

COMBINING STATEMENT OF NET POSITION
VETERANS' LAND PROGRAM PROPRIETARY FUNDS
August 31, 2020
(With comparative memorandum totals for August 31, 2019)

	VET LAND REF BDS REF SER '89, '90, '91, TAX REF '98A, '98B, & '99B FUND (0571) U/F (0571) (9000) (9001)	VET LAND BDS REF SER '99A FUND (0626) U/F (0626)	VET LAND BDS TAX-EXEMPT FUND (0385) U/F (0852)
LIABILITIES			
Current Liabilities:			
Accounts Payable	990,680.86		
Debt Service Interest Payable	168,843.51		
Due to Other Funds	7,242,894.70		
Unearned Revenues	166,036.28	0.10	
Bonds Payable (Net of Unamortized Discounts and Premiums):			
General Obligation	21,450,000.00		690,000.00
Obligations Under Securities Lending (Note 3)	12,016,835.00		
Total Current Liabilities	42,035,290.35	0.10	690,000.00
Noncurrent Liabilities:			
Bonds Payable (Net of Unamortized Discounts and Premiums):			
General Obligation	111,595,000.00		11,225,000.00
Hedging Derivative Instrument	19,669,521.47		2,932,631.00
Total Noncurrent Liabilities	131,264,521.47	0.00	14,157,631.00
TOTAL LIABILITIES	173,299,811.82	0.10	14,847,631.00
DEFERRED INFLOW OF RESOURCES			
Deferred Inflow of Resources			
TOTAL DEFERRED INFLOW OF RESOURCES	0.00	0.00	0.00
NET POSITION			
Invested in Capital Assets, Net of Related Debt	13,657.48		
Restricted for the Veterans' Land Board	396,055,201.97	8,781,873.83	(9,657,195.19)
TOTAL NET POSITION (Exhibit D-2b)	396,068,859.45	8,781,873.83	(9,657,195.19)

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

TOTALS (EXH. III)	
2020	2019
990,680.86	1,109,597.82
168,843.51	16,187.41
7,242,894.70	7,481,802.54
166,036.38	79,890.16
22,140,000.00	20,730,000.00
12,016,835.00	20,404,287.50
<u>42,725,290.45</u>	<u>49,821,765.43</u>
122,820,000.00	144,960,000.00
22,602,152.47	23,106,460.00
<u>145,422,152.47</u>	<u>168,066,460.00</u>
<u>188,147,442.92</u>	<u>217,888,225.43</u>
0.00	0.00
<u>0.00</u>	<u>0.00</u>
13,657.48	16,435.24
395,179,880.61	384,242,881.71
<u>395,193,538.09</u>	<u>384,259,316.95</u>

UNAUDITED
Texas General Land Office and Veterans Land Board

EXHIBIT D-1c

COMBINING STATEMENT OF NET POSITION
DAVID A. GLOIER TEXAS STATE VETERANS HOME PROGRAM
August 31, 2020
(With comparative memorandum totals for August 31, 2019)

	TEMPLE FUND (0374) U/F (0650)	FLORESVILLE FUND (0374) U/F (0651)	BONHAM FUND (0374) U/F (0660)	BIG SPRING FUND (0374) U/F (0661)	SERIES 2002 FUND (0374) U/F (0665)	SURPLUS FUND (0374) U/F (0698)
	\$	\$	\$	\$	\$	\$
ASSETS						
Current Assets:						
Cash and Cash Equivalents (Note 3):						
Cash in State Treasury	6,143,643.20	2,179,938.68	1,151,124.91	2,351,037.21	4,338,642.32	899,011.92
Cash Equivalents						1,912,471.81
Securities Lending Collateral (Note 3)					5,100,000.00	
Investments - Securities at Market Value (Note 3)						23,955,915.72
Receivables:						
Federal Receivables	932,944.27	1,685,953.57	1,456,314.11	1,504,606.65		
Interest Receivables	3,081.50	1,357.83	608.86	404.89		37,104.07
Accounts Receivable	309,315.62	176,126.81	170,827.67	241,224.43		
Allowance for Doubtful Accounts	(170,704.59)	(69,260.23)	(11,015.00)	(95,813.29)		
Due from Other Funds						2,277,259.55
Prepaid Items				1,617.32		
Total Current Assets	7,218,280.00	3,974,116.66	2,767,860.55	4,003,077.21	9,438,642.32	29,081,763.07
Non-Current Assets:						
Capital Assets (Note 2):						
Depreciable Capital Assets:						
Furniture and Equipment	75,954.93	63,137.03	87,269.99	64,641.60		
Less Accumulated Depreciation	(47,466.04)	(47,970.59)	(62,389.89)	(64,219.98)		
Buildings	15,931,373.62	15,321,838.96	16,444,759.62	15,045,505.34		
Less Accumulated Depreciation	(10,084,516.08)	(9,849,038.14)	(9,784,725.29)	(9,395,711.74)		
Facilities and Other Improvements						
Less Accumulated Depreciation						
Non-Depreciable Capital Assets:						
Construction in Progress	344,699.99	341,050.02	20,359.45	320,072.65		
Land	480,000.00	66,000.00	155,000.00	40,000.00		
Amortizable Intangible Assets:						
Computer Software	32,469.00	35,746.00	25,425.00	25,425.00		
Less Accumulated Amortization	(32,469.00)	(35,746.00)	(25,425.00)	(25,425.00)		
Total Non-Current Assets	6,700,046.42	5,895,017.28	6,860,273.88	6,010,287.87	0.00	0.00
TOTAL ASSETS	13,918,326.42	9,869,133.94	9,628,134.43	10,013,365.08	9,438,642.32	29,081,763.07
LIABILITIES						
Current Liabilities:						
Payables:						
Vouchers and Accounts Payable (Note 1)	2,044,908.60	1,913,180.10	2,073,746.39	1,638,944.04	106.30	
Retainage Payable						
Due to Other Funds				1,890,900.00		
Unearned Revenues					4,338,536.02	
Obligations Under Securities Lending (Note 3)					5,100,000.00	
Total Current Liabilities	2,044,908.60	1,913,180.10	2,073,746.39	3,529,844.04	9,438,642.32	0.00
Non-Current Liabilities:						
Employees' Compensable Leave (Note 5)						
Claims and Judgments (Note 17)						
Total Non-Current Liabilities	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL LIABILITIES	2,044,908.60	1,913,180.10	2,073,746.39	3,529,844.04	9,438,642.32	0.00
NET POSITION						
Invested in Capital Assets, Net of Related Debt	6,700,046.42	5,895,017.28	6,860,273.88	6,010,287.87		
Restricted for the Texas State Veterans' Home Program	5,173,371.40	2,060,936.56	694,114.16	473,233.17		29,081,763.07
TOTAL NET POSITION	11,873,417.82	7,955,953.84	7,554,388.04	6,483,521.04	0.00	29,081,763.07

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

UNAUDITED

TYLER FUND (0374) U/F (0656)	MCALLEN FUND (0374) U/F (0652)	EL PASO FUND (0374) U/F (0653)	AMARILLO FUND (0374) U/F (0654)	HOUSTON FUND (0374) U/F (0657)	FORT WORTH FUND (0374) U/F (0663)	CRF FUND (0325) U/F (0325)	TOTALS (EXH III)	
							2020	2019
\$	\$	\$	\$	\$	\$		\$	\$
3,762,507.05	3,550,748.87	4,111,516.03	428,369.51	(1,976,348.25)	28,164.27	5,190,678.43	32,159,034.15	22,662,794.20
							1,912,471.81	372,839.90
							5,100,000.00	0.00
							23,955,915.72	18,997,824.44
1,360,214.40	2,692,285.26	3,725,734.59	942,689.02	3,498,479.26			17,799,221.13	12,618,623.92
2,200.25	1,491.49	2,391.48	(290.72)	(1,214.99)	17.31	3,046.69	50,198.66	0.00
253,205.55	293,179.58	297,474.56	313,740.02	175,153.56			2,230,247.80	2,357,695.32
(31,480.91)	(88,960.40)	(15,727.05)	(178,653.34)	(62,875.84)			(724,490.65)	(571,132.92)
		15,169.79					4,183,329.34	856,767.35
	753.36	1,616.83	373.96			1,890,900.00	4,361.47	0.00
5,346,646.34	6,449,498.16	8,138,176.23	1,506,228.45	1,633,193.74	28,181.58	7,084,625.12	86,670,289.43	57,295,412.21
267,345.13	105,557.44	108,227.74	121,079.69	79,121.69			972,335.24	898,791.99
(241,868.97)	(61,883.26)	(70,962.58)	(58,617.01)	(17,543.50)			(672,921.82)	(577,688.89)
16,596,645.58	16,096,179.45	14,704,552.88	14,806,756.72	41,279,725.97			166,227,338.14	165,834,938.66
(7,436,452.00)	(9,177,754.04)	(8,044,164.70)	(8,320,055.49)	(3,086,307.94)			(75,178,725.42)	(67,459,080.27)
			22,963.00				22,963.00	22,963.00
			(10,141.02)				(10,141.02)	(8,992.98)
487,188.72		247,996.69	224,159.46				1,985,526.98	903,976.67
	1,300,000.00	650,000.00	808,500.00	540,000.00	1,800,000.00		5,839,500.00	4,039,500.00
	8,525.00	8,525.00					136,115.00	136,115.00
	(8,525.00)	(8,525.00)					(136,115.00)	(136,115.00)
9,672,858.46	8,262,099.59	7,595,650.03	7,594,645.35	38,794,996.22	1,800,000.00	0.00	99,185,875.10	103,654,408.18
15,019,504.80	14,711,597.75	15,733,826.26	9,100,873.80	40,428,189.96	1,828,181.58	7,084,625.12	185,856,164.53	160,949,820.39
1,795,806.57	1,873,135.05	2,325,148.20	1,581,170.82	1,495,632.39			16,741,778.46	10,746,254.53
				2,277,259.55			0.00	38,675.00
							4,168,159.55	853,127.45
						7,073,065.51	11,411,601.53	0.00
							5,100,000.00	0.00
1,795,806.57	1,873,135.05	2,325,148.20	1,581,170.82	3,772,891.94	0.00	7,073,065.51	37,421,539.54	11,638,056.98
							0.00	0.00
							0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,795,806.57	1,873,135.05	2,325,148.20	1,581,170.82	3,772,891.94	0.00	7,073,065.51	37,421,539.54	11,638,056.98
9,672,858.46	8,262,099.59	7,595,650.03	7,594,645.35	38,794,996.22	1,800,000.00		99,185,875.10	103,654,408.18
3,550,839.77	4,576,363.11	5,813,028.03	(74,942.37)	(2,139,698.20)	28,181.58	11,559.61	49,248,749.89	45,657,355.23
13,223,698.23	12,838,462.70	13,408,678.06	7,519,702.98	36,655,298.02	1,828,181.58	11,559.61	148,434,624.99	149,311,763.41

UNAUDITED
Texas General Land Office and Veterans Land Board

EXHIBIT D-2a

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
VETERANS' HOUSING ASSISTANCE PROGRAM PROPRIETARY FUNDS

For the Month Ended August 31, 2020

(With comparative memorandum totals for the year ended August 31, 2019)

	VET BDS FUND (0529) U/F (0529)	VET BDS TAX REF FUND (0590) U/F (0590)	VET BDS TAX-EXEMPT FUND (0383) U/F (Note ¹)	VET BDS TAXABLE FUND (0384) U/F (0828)	VET HSG BDS RESERVE FUND (0527) U/F (0527)
OPERATING REVENUES	\$	\$	\$	\$	\$
Interest on Housing Mortgages	2,410,622.46	3,716,004.51	52,463,208.29	11,694,281.88	
Interest on Home Improvement Loans	(11.94)	107,511.91	356,357.53	600,875.03	
Interest on Land Contracts					
Miscellaneous Income	325.00	1,013.54	5,909.98	2,325.00	
TOTAL OPERATING REVENUES	2,410,935.52	3,824,529.96	52,825,475.80	12,297,481.91	0.00
OPERATING EXPENSES					
Professional Fees and Services	44,283.25	41,258.30	1,147,406.04	317,668.79	
Material and Supplies	212.07				
Printing and Reproduction			600.00		
Debt Service Interest	4.27	3,454,228.85	48,319,120.02	14,155,641.54	
Other Operating Expenses	(115,802.59)	2,000.00	6,703,762.73	249,983.14	
TOTAL OPERATING EXPENSES	(71,303.00)	3,497,487.15	56,170,888.79	14,723,293.47	0.00
OPERATING INCOME (LOSS) (Exhibit D-3a)	2,482,238.52	327,042.81	(3,345,412.99)	(2,425,811.56)	0.00
NONOPERATING REVENUES (EXPENSES)					
Investment Income	1,101,541.62	204,690.27	5,672,465.80	628,364.93	156,916.07
Net Increase (Decrease) in Fair Value of Investments	192,682.20	6,041,370.30	3,141,961.94	2,114,410.45	390,743.49
Gain (Loss) on Housing Mortgage and Home Improvement Loans	863,750.54	(4,296,628.18)	(2,091,509.88)	(139,413.11)	
Settlement of Claims	4,840.68		143,250.40		
Borrower Rebate/Agent Fees - Securities Lending	(5,100.13)	146,193.07	10,637.52	161,506.61	19,693.07
TOTAL NONOPERATING REVENUES (EXPENSES)	2,157,714.91	2,095,625.46	6,876,805.78	2,764,868.88	567,352.63
INCOME (LOSS) BEFORE OTHER REVENUES, (EXPENSES), GAINS/(LOSSES) AND TRANSFERS	4,639,953.43	2,422,668.27	3,531,392.79	339,057.32	567,352.63
OTHER REVENUES, (EXPENSES), GAINS/(LOSSES), AND TRANSFERS					
Other Revenues	(806,929.58)				
Transfers In	57,259,000.00	9,437,330.84	89,928,000.00	4,959,000.00	
Transfers Out	(13,534,000.00)	(6,670,000.00)	(123,107,000.00)	(36,231,000.00)	(2,423,439.18)
TOTAL OTHER REVENUES, (EXPENSES), GAINS/(LOSSES), AND TRANSFERS	42,918,070.42	2,767,330.84	(33,179,000.00)	(31,272,000.00)	(2,423,439.18)
CHANGE IN NET POSITION	47,558,023.85	5,189,999.11	(29,647,607.21)	(30,932,942.68)	(1,856,086.55)
NET POSITION - August 31, 2019	102,966,654.18	69,146,421.96	(19,501,675.55)	90,619,566.63	14,306,301.75
Restatements (Note 14)					
NET POSITION - August 31, 2019, as Restated	102,966,654.18	69,146,421.96	(19,501,675.55)	90,619,566.63	14,306,301.75
NET POSITION - August 31, 2020 (Exhibit D-1a)	150,524,678.03	74,336,421.07	(49,149,282.76)	59,686,623.95	12,450,215.20

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

Note ¹ U/F (0808 - 0826, 0831 - 0847)

UNAUDITED

VET HSG MORT RESERVE FUND (0528) U/F (0528)	TOTALS (EXH. IV)	
	2020	2019
\$	\$	\$
	70,284,117.14	78,588,480.50
	1,064,732.53	1,105,161.97
	0.00	570.56
	9,573.52	25,656.82
0.00	71,358,423.19	79,719,869.85
	1,550,616.38	2,144,126.66
	212.07	1,023.45
	600.00	4,815.39
119.56	65,928,994.68	74,207,611.77
	6,840,062.84	8,166,625.35
119.56	74,320,485.97	84,524,202.62
(119.56)	(2,962,062.78)	(4,804,332.77)
483,663.62	8,247,642.31	5,830,074.27
216,211.77	12,097,380.15	16,850,127.91
	(5,663,800.63)	3,778,663.95
	148,091.08	0.00
18,343.94	351,274.08	168,138.60
718,219.33	15,180,586.99	26,627,004.73
718,099.77	12,218,524.21	21,822,671.96
	(806,929.58)	0.00
	161,583,330.84	253,056,568.16
(250,000.00)	(182,215,439.18)	(268,726,853.34)
(250,000.00)	(21,439,037.92)	(15,670,285.18)
468,099.77	(9,220,513.71)	6,152,386.78
18,726,873.15	276,264,142.12	270,111,755.34
	0.00	0.00
18,726,873.15	276,264,142.12	270,111,755.34
19,194,972.92	267,043,628.41	276,264,142.12

UNAUDITED
Texas General Land Office and Veterans Land Board

EXHIBIT D-2b

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
VETERANS' LAND PROGRAM PROPRIETARY FUNDS

For the Year Ended August 31, 2020

(With comparative memorandum totals for the year ended August 31, 2019)

	VET LAND REF BDS REF SER '91 TAX '00, '02-'06, & '10D FUND (0571) U/F (0571) (9000) (9001)	VET LAND BDS REF SER '99A FUND (0626) U/F (0626)	VET LAND BDS TAX-EXEMPT FUND (0385) U/F (0852)
	\$	\$	\$
OPERATING REVENUES			
Interest on Land Loans	25,995,772.54	55,731.02	144,087.70
Miscellaneous Income	738,661.49		
TOTAL OPERATING REVENUES	26,734,434.03	55,731.02	144,087.70
OPERATING EXPENSES			
Professional Fees and Services	1,390,181.13		36,853.84
Materials and Supplies	88,364.00		
Repairs and Maintenance	446,338.00		
Depreciation and Amortization	2,777.76		
Debt Service Interest	7,144,630.67		541,895.87
Other Operating Expenses	297,835.47		39,576.97
TOTAL OPERATING EXPENSES	9,370,127.03	0.00	618,326.68
OPERATING INCOME (LOSS) (Exhibit D-3b)	17,364,307.00	55,731.02	(474,238.98)
NONOPERATING REVENUES (EXPENSES)			
Investment Income	4,018,466.59	(319.53)	1,902.11
Net Increase (Decrease) in Fair Value of Investments	0.00	831.48	
Gain (Loss) on Land Loans	2,709,268.71		
Borrower Rebate/Agent Fees-Sec. Lending	421,893.50		
TOTAL NONOPERATING REVENUES (EXPENSES)	7,149,628.80	511.95	1,902.11
INCOME (LOSS) BEFORE OTHER REVENUES, (EXPENSES), GAINS/(LOSSES) AND TRANSFERS	24,513,935.80	56,242.97	(472,336.87)
OTHER REVENUES, (EXPENSES), GAINS/(LOSSES), AND TRANSFERS			
Transfers In	2,194,730.98		983,000.00
Transfers Out	(15,841,407.76)	(572.08)	(158,000.00)
TOTAL OTHER REVENUES, (EXPENSES), GAINS/(LOSSES), AND TRANSFERS	(13,646,676.78)	(572.08)	825,000.00
CHANGE IN NET POSITION	10,867,259.02	55,670.89	352,663.13
NET POSITION - August 31, 2019	385,542,972.33	8,726,202.94	(10,009,858.32)
Restatements (Note 14)	(341,371.90)		
NET POSITION - August 31, 2019, as Restated	385,201,600.43	8,726,202.94	(10,009,858.32)
NET POSITION - August 31, 2020 (Exhibit D-1b)	396,068,859.45	8,781,873.83	(9,657,195.19)

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

TOTALS (EXH. IV)	
2020	2019
\$	\$
26,195,591.26	24,102,081.04
738,661.49	533,533.19
<u>26,934,252.75</u>	<u>24,635,614.23</u>
1,427,034.97	1,598,408.07
88,364.00	114,918.00
446,338.00	2,625,000.00
2,777.76	2,777.76
7,686,526.54	9,494,631.97
337,412.44	420,816.55
<u>9,988,453.71</u>	<u>14,256,552.35</u>
<u>16,945,799.04</u>	<u>10,379,061.88</u>
4,020,049.17	5,212,364.14
831.48	8,541,655.41
2,709,268.71	(556,727.31)
421,893.50	(220,113.57)
<u>7,152,042.86</u>	<u>12,977,178.67</u>
<u>24,097,841.90</u>	<u>23,356,240.55</u>
3,177,730.98	12,893,006.52
(15,999,979.84)	(15,701,744.68)
<u>(12,822,248.86)</u>	<u>(2,808,738.16)</u>
11,275,593.04	20,547,502.39
384,259,316.95	363,711,814.56
(341,371.90)	0.00
<u>383,917,945.05</u>	<u>363,711,814.56</u>
<u>395,193,538.09</u>	<u>384,259,316.95</u>

UNAUDITED
Texas General Land Office and Veterans Land Board

EXHIBIT D-2c

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

DAVID A. GLOIER TEXAS STATE VETERANS HOME PROGRAM

For the Year Ended August 31, 2020

(With comparative memorandum totals for the year ended August 31, 2019)

	TEMPLE FUND (0374) U/F (0650)	FLORESVILLE FUND (0374) U/F (0651)	BONHAM FUND (0374) U/F (0660)	BIG SPRING FUND (0374) U/F (0661)	SERIES 2002 FUND (0374) U/F (0665)	SURPLUS FUND (0374) U/F (0698)
	\$	\$	\$	\$	\$	\$
OPERATING REVENUES						
Charges for Services:						
Veterans Administration Per Diem	10,203,023.35	8,873,733.87	8,497,992.28	6,807,847.01		
Resident Payments (Net of Provisions for Bad Debt)	2,189,771.74	1,819,218.62	1,712,520.33	1,273,810.41		
Medicare Reimbursements (Net of Provisions for Bad Debt)	335,191.52	820,945.29	871,494.23	684,743.91		
Medicaid Revenues (Net of Provisions for Bad Debt)	329,993.39	523,305.05	485,557.10	590,961.17		
Other Assistance Payments (Net of Provisions for Bad Debt)	27,933.14	395.77	105,520.30	4,482.60		
Third Party Reimbursements	975.79	171.00				
Revenue Transfers Within Fund	(1,200,000.00)	(1,013,435.44)				8,999,668.60
Miscellaneous Income	4,715.55	2,105.92				
TOTAL OPERATING REVENUES	11,891,604.48	11,026,440.08	11,673,084.24	9,361,845.10	0.00	8,999,668.60
OPERATING EXPENSES						
Professional Fees and Services	10,296,771.63	10,469,043.25	11,058,719.48	8,759,261.59		
Travel	2,030.67	2,284.28	7,977.19	7,089.72		
Materials and Supplies	456,434.29	460,168.24	459,108.25	527,984.88		
Communications and Utilities	3,438.74	4,170.17	3,307.25	2,950.72		
Repairs and Maintenance	19,968.30	27,950.00	59,763.64	18,065.00		
Rentals and Leases (Note 8)						
Depreciation and Amortization	703,101.64	668,536.26	723,430.80	657,728.62		
Interest Expense	454.45	31.17	163.69	88.22		
Other Operating Expenses	300.00	2,227.71	300.00	300.00		
TOTAL OPERATING EXPENSES	11,482,499.72	11,634,411.08	12,312,770.30	9,973,468.75	0.00	0.00
OPERATING INCOME (LOSS) (Exhibit D-3c)	409,104.76	(607,971.00)	(639,686.06)	(611,623.65)	0.00	8,999,668.60
NONOPERATING REVENUES/(EXPENSES)						
Federal Revenues	51,675.29	274,934.04	104,668.27	5,919.30		
Gifts/Pledges/Donations	4,877.94	7,292.94	3,507.94	18,900.94		
Investment Income	75,963.99	39,960.59	16,790.83	(2,050.28)	1,907.63	537,621.69
Net Increase (Decrease) in Fair Value of Investments						(36,008.30)
Claims and Judgments (Note 17)						
Borrower Rebate/Agent Fees - Securities Lending					(1,907.63)	
Gain/(Loss) on Sale of Capital Asset						
Capital Contributions						
TOTAL NONOPERATING REVENUES/(EXPENSES)	132,517.22	322,187.57	124,967.04	22,769.96	0.00	501,613.39
INCOME/(LOSS) BEFORE OTHER REVENUES, (EXPENSES), GAINS/(LOSSES) AND TRANSFERS	541,621.98	(285,783.43)	(514,719.02)	(588,853.69)	0.00	9,501,281.99
OTHER REVENUES, (EXPENSES), GAINS/(LOSSES), AND TRANSFERS						
Capital Contributions				0.00		
Transfers In	841,982.27	446,457.74	218,620.24	742,762.45		2,230,936.62
Transfers Out	(1,163,988.27)	(761,457.74)	(777,316.07)	(828,883.05)		(3,184,726.07)
TOTAL OTHER REVENUES, (EXPENSES), GAINS/(LOSSES), AND TRANSFERS	(322,006.00)	(315,000.00)	(558,695.83)	(86,120.60)	0.00	(953,789.45)
CHANGE IN NET POSITION	219,615.98	(600,783.43)	(1,073,414.85)	(674,974.29)	0.00	8,547,492.54
NET POSITION, August 31, 2019	11,653,801.84	8,556,737.27	8,627,802.89	7,158,495.33	0.00	20,534,270.53
Restatements (Note 14)						
NET POSITION - AUGUST 31, 2019, as RESTATED	11,653,801.84	8,556,737.27	8,627,802.89	7,158,495.33	0.00	20,534,270.53
NET POSITION - August 31, 2020 (Exhibit D-1c)	11,873,417.82	7,955,953.84	7,554,388.04	6,483,521.04	0.00	29,081,763.07

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

UNAUDITED

TYLER FUND (0374) U/F (0656)	MCALLEN FUND (0374) U/F (0652)	EL PASO FUND (0374) U/F (0653)	AMARILLO FUND (0374) U/F (0654)	HOUSTON FUND (0374) U/F (0657)	FORT WORTH FUND (0374) U/F (0663)	CRF FUND (0325) U/F (0325)	TOTALS (EXH IV)	
							2020	2019
\$	\$	\$	\$	\$	\$	\$	\$	\$
8,101,126.11	10,123,592.51	12,558,797.99	6,005,114.97	1,221,219.71			72,392,447.80	70,498,828.91
1,372,965.49	1,841,660.20	1,728,153.61	1,703,899.84	174,365.27			13,816,365.51	17,822,934.22
324,143.17	1,234,411.15	938,659.40	1,062,714.74	440,135.92			6,712,439.33	6,940,718.63
1,717,426.66	945,410.46	316,687.94	396,637.87	199,861.73			5,505,841.37	6,271,860.43
137,786.78	8,766.14	4,646.52	12,270.00				301,801.25	341,189.66
	2,211.00		2,054.28	1,772.20			7,184.27	4,693.00
(2,000,000.00)	(2,000,000.00)	(3,000,000.00)	213,766.84				0.00	0.00
	2,365.46	1,743.46	807.01				11,737.40	19,515.83
9,653,448.21	12,158,416.92	12,548,688.92	9,397,265.55	2,037,354.83	0.00	0.00	98,747,816.93	101,899,740.68
9,966,342.03	11,265,617.71	12,161,370.54	8,500,237.15	3,733,019.23	1,204,758.99		87,415,141.60	82,393,401.18
5,768.06	5,987.92	4,715.46	8,560.63	11,211.37	2,332.72		57,958.02	133,743.58
572,637.11	559,158.38	706,643.54	334,413.48	226,759.88			4,303,308.05	5,572,247.04
2,095.15	2,804.44	3,053.63	1,904.61	957.00			24,681.71	30,636.61
95,491.77	369,935.75	691,909.64	333,370.15				1,616,454.25	970,357.21
300.00							300.00	435.00
858,437.04	677,947.76	610,166.57	722,723.31	2,193,954.12			7,816,026.12	6,533,883.76
88.67	548.80	36.10	1,006.03	351.87			2,769.00	3,207.10
	300.00	300.00	300.00	454.55			4,482.26	11,291.91
11,501,159.83	12,882,300.76	14,178,195.48	9,902,515.36	6,166,708.02	1,207,091.71	0.00	101,241,121.01	95,649,203.39
(1,847,711.62)	(723,883.84)	(1,629,506.56)	(505,249.81)	(4,129,353.19)	(1,207,091.71)	0.00	(2,493,304.08)	6,250,537.29
318,002.52	405,309.76	556,266.49	217,149.68				1,933,925.35	10,789,131.78
31,037.20	2,559.37	2,734.00	14,212.94	1,207.94			86,331.21	30,617.67
75,764.44	49,135.99	85,393.51	(12,520.68)	(14,419.62)	326.99	11,559.61	865,434.69	743,183.72
	(3,200.00)						(36,008.30)	164,997.61
							(3,200.00)	0.00
							(1,907.63)	1,565.03
							0.00	(9,358.78)
					1,800,000.00		1,800,000.00	0.00
424,804.16	453,805.12	644,394.00	218,841.94	(13,211.68)	1,800,326.99	11,559.61	4,644,575.32	11,720,137.03
(1,422,907.46)	(270,078.72)	(985,112.56)	(286,407.87)	(4,142,564.87)	593,235.28	11,559.61	2,151,271.24	17,970,674.32
	(0.00)		(0.00)	(0.00)			(0.00)	0.00
607,773.88	553,053.00	1,173,629.85	240,522.55	1,743,402.66	1,234,946.30		10,034,087.56	10,801,717.09
(929,875.22)	(974,072.14)	(1,921,796.35)	(721,720.67)	(1,798,661.64)			(13,062,497.22)	(18,565,316.39)
(322,101.34)	(421,019.14)	(748,166.50)	(481,198.12)	(55,258.98)	1,234,946.30	0.00	(3,028,409.66)	(7,763,599.30)
(1,745,008.80)	(691,097.86)	(1,733,279.06)	(767,605.99)	(4,197,823.85)	1,828,181.58	11,559.61	(877,138.42)	10,207,075.02
14,968,707.03	13,529,560.56	15,141,957.12	8,287,308.97	40,853,121.87	0.00	0.00	149,311,763.41	138,773,344.22
							0.00	331,344.17
14,968,707.03	13,529,560.56	15,141,957.12	8,287,308.97	40,853,121.87	0.00	0.00	149,311,763.41	139,104,688.39
13,223,698.23	12,838,462.70	13,408,678.06	7,519,702.98	36,655,298.02	1,828,181.58	11,559.61	148,434,624.99	149,311,763.41

UNAUDITED
Texas General Land Office and Veterans Land Board

EXHIBIT D-3a

STATEMENT OF CASH FLOWS

VETERANS' HOUSING ASSISTANCE PROGRAM PROPRIETARY FUNDS

For the Month Ended August 31, 2020

(With comparative memorandum totals for the year ended August 31, 2019)

	VET BDS FUND (0529) U/F (0529)	VET BDS TAX REF FUND (0590) U/F (0590)	VET BDS TAX-EXEMPT FUND (0383) (U/F ¹)	VET BDS TAXABLE FUND (0384) U/F (0828)	VET HSG BDS RESERVE FUND (0527) U/F (0527)
	\$	\$	\$	\$	\$
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (Note 1)					
OPERATING ACTIVITIES					
Receipts from Loan Payments	26,308,444.53	57,849,688.71	1,018,417,789.65	178,802,114.65	
Other Operating Cash Receipts	3,517.46	1,813.54	150,385.38	3,075.00	
Fundings for Mortgage and Home Improvement Loans	(29,674,185.05)	(10,912,820.68)	(337,991,943.86)	(55,759,988.54)	
Payments to Suppliers of Goods and Services	273,620.96	(45,980.14)	(8,996,755.52)	(624,120.56)	
Payments for Other Expenses	(4.27)	(4.46)	(189.00)	(19.28)	
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(3,088,606.37)	46,892,696.97	671,579,286.65	122,421,061.27	0.00
NONCAPITAL FINANCING ACTIVITIES					
Proceeds from Debt Issuance			250,000,000.00		
Proceeds from Other Financing Activities	32,370.28	73,505.39	1,394,634.89	96,053.90	
Payments for Debt Service - Principal		(13,060,000.00)	(181,865,000.00)	(39,060,000.00)	
Payments for Debt Service - Interest		(3,454,224.39)	(49,444,002.87)	(14,135,274.10)	
Transfers from Other Funds	55,639,000.00	9,437,330.84	95,528,000.00	6,059,000.00	
Transfers to Other Funds	(11,914,000.00)	(6,670,000.00)	(128,707,000.00)	(36,231,000.00)	(2,423,439.18)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	43,757,370.28	(13,673,388.16)	(13,093,367.98)	(83,271,220.20)	(2,423,439.18)
INVESTING ACTIVITIES					
Proceeds from Interest and Investment Income	1,137,635.01	277,292.98	19,532,016.56	2,758,285.30	(293,270.74)
Proceeds from Sale of Investments	27,609,165.97	10,205,000.00	303,598,037.80	14,440,000.00	2,000,000.00
Payments to Acquire Investments	(71,173,956.08)	(25,982,541.33)	(666,078,960.81)	(63,976,087.60)	(1,500,000.00)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(42,427,155.10)	(15,500,248.35)	(342,948,906.45)	(46,777,802.30)	206,729.26
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,758,391.19)	17,719,060.46	315,537,012.22	(7,627,961.23)	(2,216,709.92)
CASH AND CASH EQUIVALENTS - August 31, 2019	25,305,762.00	2,301,003.74	129,161,043.39	19,559,958.74	2,403,826.31
CASH AND CASH EQUIVALENTS - August 31, 2020	23,547,370.81	20,020,064.20	444,698,055.61	11,931,997.51	187,116.39

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

¹ U/F (0808 - 0826, 0831 - 0845)

UNAUDITED

VET HSG MORT RESERVE FUND (0528) U/F (0528)	TOTALS (EXH. V)	
	2020	2019
\$	\$	\$
	1,281,378,037.54	464,818,648.32
	158,791.38	24,706.82
	(434,338,938.13)	(785,959,513.02)
(119.56)	(9,393,354.82)	(9,792,062.57)
	(217.01)	(0.91)
(119.56)	837,804,318.96	(330,908,221.36)
	250,000,000.00	250,000,000.00
	1,596,564.46	4,089,999.21
	(233,985,000.00)	(234,055,000.00)
	(67,033,501.36)	(77,515,958.03)
(250,000.00)	166,413,330.84	224,444,750.64
(250,000.00)	(186,195,439.18)	(240,515,035.82)
(500,000.00)	(69,204,045.24)	(73,551,244.00)
483,382.92	23,895,342.03	(21,480,658.01)
7,000,000.00	364,852,203.77	431,470,188.47
(5,521,132.03)	(834,232,677.85)	(374,407,713.53)
1,962,250.89	(445,485,132.05)	35,581,816.93
1,462,131.33	323,115,141.67	(368,877,648.43)
289,825.21	179,021,419.39	552,227,217.32
1,751,956.54	502,136,561.06	183,349,568.89

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UNAUDITED
Texas General Land Office and Veterans Land Board

EXHIBIT D-3a (concluded)

STATEMENT OF CASH FLOWS

VETERANS' HOUSING ASSISTANCE PROGRAM PROPRIETARY FUNDS

For the Month Ended August 31, 2020

(With comparative memorandum totals for the year ended August 31, 2019)

	VET BDS FUND (0529) U/F (0529)	VET BDS TAX REF FUND (0590) U/F (0590)	VET BDS TAX-EXEMPT FUND (0383) (U/F ¹)	VET BDS TAXABLE FUND (0384) U/F (0828)	VET HSG BDS RESERVE FUND (0527) U/F (0527)
	\$	\$	\$	\$	\$
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
OPERATING INCOME (LOSS) (Exhibit D-2a)	2,482,238.52	327,042.81	(3,345,412.99)	(2,425,811.56)	
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Classification Differences	863,750.54	(842,403.79)	46,150,237.58	14,016,209.15	
(Increase) Decrease in Receivables	1,850,481.43	(871,663.74)	(11,748,987.88)	(3,822,288.03)	
(Increase) Decrease in Loans and Contracts	(7,278,322.43)	47,381,101.26	640,112,251.84	113,574,315.78	
(Increase) Decrease in Prepaid Items			153,705.31		
(Increase) Decrease in Other Assets	(60,302.61)	60,347.41	490,407.37	266,897.30	
Increase (Decrease) in Payables	(789,920.42)	763,186.26	642,666.40	814,643.89	
Increase (Decrease) in Other Liabilities	(156,531.40)	75,086.76	(875,580.98)	(2,905.26)	
TOTAL ADJUSTMENTS	(5,570,844.89)	46,565,654.16	674,924,699.64	124,846,872.83	0.00
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(3,088,606.37)	46,892,696.97	671,579,286.65	122,421,061.27	0.00
NONCASH TRANSACTIONS					
Change in Fair Value of Investments	123,197.17	6,044,894.02	2,673,625.77	2,032,483.63	(85,192.66)
TOTAL NONCASH TRANSACTIONS	123,197.17	6,044,894.02	2,673,625.77	2,032,483.63	(85,192.66)

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

¹ U/F (0808 - 0826, 0831 - 0847)

UNAUDITED

VET HSG MORT RESERVE FUND (0528) U/F (0528)	TOTALS (EXH. V)	
	2020	2019
	\$	\$
(119.56)	(2,962,062.78)	(4,804,332.77)
	60,187,793.48	77,872,004.50
	(14,592,458.22)	(3,865,275.75)
	793,789,346.45	(427,838,849.79)
	153,705.31	25,150,921.20
	757,349.47	(4,629,483.00)
	1,430,576.13	1,934,243.41
	(959,930.88)	5,272,550.84
0.00	840,766,381.74	(326,103,888.59)
(119.56)	837,804,318.96	(330,908,221.36)
216,431.77	11,005,439.70	13,128,086.86
216,431.77	11,005,439.70	13,128,086.86

UNAUDITED
Texas General Land Office and Veterans Land Board

EXHIBIT D-3b

STATEMENT OF CASH FLOWS

VETERANS' LAND PROGRAM PROPRIETARY FUNDS

For the Year Ended August 31, 2020

(With comparative memorandum totals for the year ended August 31, 2019)

	VET LAND REF BDS REF SER '91 TAX '00, '02-'06, & '10D FUND (0571) U/F (0571) (9000) (9001)	VET LAND BDS REF SER '99A FUND (0626) U/F (0626)	VET LAND BDS TAX-EXEMPT FUND (0385) U/F (0852)
	\$	\$	\$
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (Note 1)			
OPERATING ACTIVITIES			
Receipts from Loan Payments	85,643,356.98	321,817.53	571,634.44
Other Operating Cash Receipts	295,459.37		
Fundings for Land Loans	(74,840,486.49)		
Payments to Suppliers of Goods and Services	(2,308,331.17)		(134,532.01)
Payments for Other Expenses	(124.79)		
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	8,789,873.90	321,817.53	437,102.43
NONCAPITAL FINANCING ACTIVITIES			
Proceeds from Other Financing Activities	122,353.25		1,839.51
Payments for Debt Service - Principal	(20,065,000.00)		(665,000.00)
Payments for Debt Service - Interest	(6,997,532.09)		(541,895.87)
Transfers from Other Funds	3,451,073.08		983,000.00
Transfers to Other Funds	(15,910,959.18)	(170,934.15)	(158,000.00)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(39,400,064.94)	(170,934.15)	(380,056.36)
CAPITAL AND RELATED FINANCING ACTIVITIES			
Payments for Additional Capital Assets			
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	0.00	0.00	0.00
INVESTING ACTIVITIES			
Proceeds from Interest and Investment Income	4,676,485.40	170,934.15	152.12
Proceeds from Sale of Investments	83,903,040.56		
Payments to Acquire Investments	(61,356,609.74)		
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	27,222,916.22	170,934.15	152.12
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,387,274.82)	321,817.53	57,198.19
CASH AND CASH EQUIVALENTS - August 31, 2019	36,054,750.53	88,146.67	73,477.53
CASH AND CASH EQUIVALENTS - August 31, 2020	32,667,475.71	409,964.20	130,675.72

TOTALS	
(EXH. V)	
2020	2019
\$	\$
86,536,808.95	136,651,539.41
295,459.37	330,277.93
(74,840,486.49)	(66,983,829.57)
(2,442,863.18)	(4,792,165.65)
(124.79)	(3,065.89)
<u>9,548,793.86</u>	<u>65,202,756.23</u>
124,192.76	147,174.42
(20,730,000.00)	(23,100,000.00)
(7,539,427.96)	(9,616,097.91)
4,434,073.08	11,456,514.86
(16,239,893.33)	(17,269,252.23)
<u>(39,951,055.45)</u>	<u>(38,381,660.86)</u>
<u>0.00</u>	<u>0.00</u>
<u>0.00</u>	<u>0.00</u>
4,847,571.67	4,874,077.56
83,903,040.56	97,721,244.45
(61,356,609.74)	(117,744,571.43)
<u>27,394,002.49</u>	<u>(15,149,249.42)</u>
(3,008,259.10)	11,671,845.95
<u>36,216,374.73</u>	<u>24,544,528.78</u>
<u>33,208,115.63</u>	<u>36,216,374.73</u>

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UNAUDITED
Texas General Land Office and Veterans Land Board

EXHIBIT D-3b (concluded)

STATEMENT OF CASH FLOWS

VETERANS' LAND PROGRAM PROPRIETARY FUNDS

For the Year Ended August 31, 2020

(With comparative memorandum totals for the year ended August 31, 2019)

	VET LAND REF BDS REF SER '89, '90, '91, TAX REF '98A, '98B, & '99B FUND (0571) U/F (0571) (9000) (9001)	VET LAND BDS REF SER '99A FUND (0626) U/F (0626)	VET LAND BDS TAX-EXEMPT FUND (0385) U/F (0852)
	\$	\$	\$
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
OPERATING INCOME (LOSS) (Exhibit D-2b)	17,364,307.00	55,731.02	(474,238.98)
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Depreciation and Amortization	2,777.76		
Classification Differences	2,568,038.05	0.00	541,895.87
(Increase) Decrease in Receivables	(1,535,538.68)	(4,008.72)	(5,257.14)
(Increase) Decrease in Loans and Contracts	(9,874,601.83)	270,171.86	432,803.88
(Increase) Decrease in Other Assets	421,936.91		
Increase (Decrease) in Payables	(78,237.53)		(58,101.20)
Increase (Decrease) in Other Liabilities	(78,807.78)	(76.63)	
TOTAL ADJUSTMENTS	(8,574,433.10)	266,086.51	911,341.41
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	8,789,873.90	321,817.53	437,102.43
NONCASH TRANSACTIONS			
Change in Fair Value of Investments			
TOTAL NONCASH TRANSACTIONS	0.00	0.00	0.00

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

TOTALS	
(EXH. V)	
2020	2019
\$	\$
16,945,799.04	10,379,061.88
2,777.76	2,777.76
3,109,933.92	5,926,118.81
(1,544,804.54)	2,283,655.79
(9,171,626.09)	40,285,107.61
421,936.91	966,694.08
(136,338.73)	(251,549.45)
(78,884.41)	5,610,889.75
(7,397,005.18)	54,823,694.35
<u>9,548,793.86</u>	<u>65,202,756.23</u>
<u>0.00</u>	<u>8,294,574.00</u>
<u>0.00</u>	<u>8,294,574.00</u>

UNAUDITED
Texas General Land Office and Veterans Land Board

EXHIBIT D-3c

STATEMENT OF CASH FLOWS

DAVID A. GLOIER TEXAS STATE VETERANS HOME PROGRAM

For the Year Ended August 31, 2020

(With comparative memorandum totals for the year ended August 31, 2019)

	TEMPLE FUND (0374) U/F (0650)	FLORESVILLE FUND (0374) U/F (0651)	BONHAM FUND (0374) U/F (0660)	BIG SPRING FUND (0374) U/F (0661)	SERIES 2002 FUND (0374) U/F (0665)	SURPLUS FUND (0374) U/F (0698)
	\$	\$	\$	\$	\$	\$
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (Note 1)						
OPERATING ACTIVITIES						
Receipts from Residents	2,355,289.99	1,992,625.02	2,032,343.75	1,455,985.95	4,330,423.28	
Receipts from Veterans Administration	10,200,382.96	8,299,976.15	7,932,396.10	6,052,013.52		
Receipts from Medicare	316,474.43	862,491.78	939,158.90	2,579,516.50		
Receipts from Medicaid	330,670.45	526,046.46	480,115.20	606,676.64		
Receipts from Gifts/Pledges/Donations	4,877.94	7,292.94	3,507.94	18,900.94		
Other Operating Cash Receipts	(1,166,750.89)	(1,009,400.97)	111,046.68	4,480.00		8,999,668.60
Payments to Suppliers of Goods and Services	(9,833,690.17)	(10,197,215.06)	(11,016,883.68)	(8,761,286.90)		
Payment for Other Expenses	(2,509.96)	(3,410.27)	(10,133.12)	(33,584.99)		
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	2,204,744.75	478,406.05	471,551.77	1,922,701.66	4,330,423.28	8,999,668.60
NONCAPITAL FINANCING ACTIVITIES						
Proceeds from Other Financing Activities	72,882.49	38,602.76	16,181.97	(2,455.17)		66,786.13
Transfers from Other Funds	841,982.27	446,457.74	218,620.24	742,762.45		432,274.98
Transfers to Other Funds	(1,163,988.27)	(761,457.74)	(777,316.07)	(828,883.05)		(3,551,036.57)
NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES	(249,123.51)	(276,397.24)	(542,513.86)	(88,575.77)	0.00	(3,051,975.46)
CAPITAL AND RELATED FINANCING ACTIVITIES						
Receipts from Veterans Administration	346,238.21	48,828.18	175,799.61	321,807.26		
Receipts from Gifts/Pledges/Donations						
Payments for Additions to Capital Assets	(88,827.01)	(420,327.98)	(171,678.00)	(8,250.35)		
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	257,411.20	(371,499.80)	4,121.61	313,556.91	0.00	0.00
INVESTING ACTIVITIES						
Receipts from Interest and Investment Income						433,731.49
Proceeds from Sale of Investments						41,852,088.89
Payments to Acquire Investments						(46,846,188.47)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	0.00	0.00	0.00	0.00	0.00	(4,560,368.09)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,213,032.44	(169,490.99)	(66,840.48)	2,147,682.80	4,330,423.28	1,387,325.05
CASH AND CASH EQUIVALENTS - August 31, 2019	3,930,610.76	2,349,429.67	1,217,965.39	203,354.41	8,219.04	1,424,158.68
CASH AND CASH EQUIVALENTS - August 31, 2020	6,143,643.20	2,179,938.68	1,151,124.91	2,351,037.21	4,338,642.32	2,811,483.73

UNAUDITED

TYLER FUND (0374) U/F (0656)	MCALLEN FUND (0374) U/F (0652)	EL PASO FUND (0374) U/F (0653)	AMARILLO FUND (0374) U/F (0654)	HOUSTON FUND (0374) U/F (0657)	FORT WORTH FUND (0374) U/F (0663)	CRF FUND (0325) U/F (0325)	TOTALS (EXH V)	
							2020	2019
\$	\$	\$	\$	\$	\$		\$	\$
1,535,125.31	2,026,907.47	1,956,907.40	1,898,374.00	232,495.61			19,816,477.78	14,337,815.29
7,516,644.81	9,652,755.09	11,690,591.71	6,043,498.91				67,388,259.25	72,299,043.27
362,731.99	1,274,089.07	968,319.94	1,078,670.16	416,112.24			8,797,565.01	6,926,489.63
1,744,009.81	937,226.31	324,114.14	394,960.21	158,549.18			5,502,368.40	6,303,259.68
31,037.20	2,559.37	2,734.00	14,212.94	2,966.39			88,089.66	25,897.67
(1,861,922.43)	(1,988,821.54)	(2,992,737.87)	223,745.05	13.75		5,182,165.51	5,501,485.89	415,941.87
(10,169,451.86)	(11,517,082.10)	(13,594,856.51)	(8,474,208.30)	(3,480,115.03)	(1,345,735.40)		(88,390,525.01)	(88,254,359.17)
(7,449.63)	(4,991.94)	(7,281.69)	(13,215.41)	(11,563.24)	(2,332.72)		(96,472.97)	(134,229.69)
(849,274.80)	382,641.73	(1,652,208.88)	1,166,037.56	(2,681,541.10)	(1,348,068.12)	5,182,165.51	18,607,248.01	11,919,858.55
73,564.19	47,644.50	83,002.03	(12,229.96)	(13,204.63)	309.68	8,512.92	379,596.91	673,538.17
607,773.88	553,053.00	1,173,629.85	465,873.02	1,743,402.66	1,375,906.33		8,601,736.42	24,380,546.77
(929,875.22)	(980,472.14)	(1,921,796.35)	(721,720.67)				(11,636,546.08)	(30,783,065.77)
(248,537.15)	(379,774.64)	(665,164.47)	(268,077.61)	1,730,198.03	1,376,216.01	8,512.92	(2,655,212.75)	(5,728,980.83)
239,526.80	401,176.38	47,522.77	184,836.52				1,765,735.73	19,300,391.94
(480,824.67)	(16,655.13)	(240,141.29)	(30,059.69)	(664,766.92)			0.00	4,720.00
(241,297.87)	384,521.25	(192,618.52)	154,776.83	(664,766.92)	0.00	0.00	(2,121,531.04)	(19,163,015.16)
							433,731.49	347,587.98
							41,852,088.89	13,932,811.11
							(46,846,188.47)	(28,985,241.47)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	(4,560,368.09)	(14,704,842.38)
(1,339,109.82)	387,388.34	(2,509,991.87)	1,052,736.78	(1,616,109.99)	28,147.89	5,190,678.43	11,035,871.86	(8,371,867.88)
5,101,616.87	3,163,360.53	6,621,507.90	(624,367.27)	(360,238.26)	16.38	0.00	23,035,634.10	31,407,501.98
3,762,507.05	3,550,748.87	4,111,516.03	428,369.51	(1,976,348.25)	28,164.27	5,190,678.43	34,071,505.96	23,035,634.10

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UNAUDITED
Texas General Land Office and Veterans Land Board

EXHIBIT D-3c (concluded)

STATEMENT OF CASH FLOWS

DAVID A. GLOIER TEXAS STATE VETERANS HOME PROGRAM

For the Year Ended August 31, 2020

(With comparative memorandum totals for the year ended August 31, 2019)

	TEMPLE FUND (0374) U/F (0650)	FLORESVILLE FUND (0374) U/F (0651)	BONHAM FUND (0374) U/F (0660)	BIG SPRING FUND (0374) U/F (0661)	SERIES 2002 FUND (0374) U/F (0665)	SURPLUS FUND (0374) U/F (0698)
	\$	\$	\$	\$	\$	\$
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
OPERATING INCOME (LOSS) (Exhibit D-2c)	409,104.76	(607,971.00)	(639,686.06)	(611,623.65)	0.00	8,999,668.60
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Depreciation and Amortization	703,101.64	668,536.26	723,430.80	657,728.62		
Classification Differences	4,877.94	7,292.94	3,507.94	18,900.94		
(Increase) Decrease in Receivables	(27,284.20)	(518,513.20)	(475,001.80)	(740,478.27)		
(Increase) Decrease in Other Assets	2,400.00		4,729.04			
(Increase) Decrease in Prepaid Items				(1,617.32)		
Increase (Decrease) in Payables	1,112,544.61	929,061.05	854,571.85	708,891.34	106.30	
Increase (Decrease) in Other Liabilities				1,890,900.00	4,330,316.98	
TOTAL ADJUSTMENTS	1,795,639.99	1,086,377.05	1,111,237.83	2,534,325.31	4,330,423.28	0.00
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	2,204,744.75	478,406.05	471,551.77	1,922,701.66	4,330,423.28	8,999,668.60
NONCASH TRANSACTIONS						
Change in Fair Value of Investments						(36,008.30)
TOTAL NONCASH TRANSACTIONS	0.00	0.00	0.00	0.00	0.00	(36,008.30)

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

UNAUDITED

TYLER FUND (0374) U/F (0656)	MCALLEN FUND (0374) U/F (0652)	EL PASO FUND (0374) U/F (0653)	AMARILLO FUND (0374) U/F (0654)	HOUSTON FUND (0374) U/F (0657)	FORT WORTH FUND (0374) U/F (0663)	CRS FUND (0325) U/F (0325)	TOTALS (EXH V)	
							2020	2019
\$	\$	\$	\$	\$	\$		\$	\$
(1,847,711.62)	(723,883.84)	(1,629,506.56)	(505,249.81)	(4,129,353.19)	(1,207,091.71)	0.00	(2,493,304.08)	6,250,537.29
858,437.04	677,947.76	610,166.57	722,723.31	2,193,954.12			7,816,026.12	6,533,883.76
31,037.20	5,759.37	2,734.00	14,212.94	2,966.39			91,289.66	25,897.67
(508,438.76)	(403,492.08)	(823,983.82)	99,087.22	(1,333,497.43)			(4,731,602.34)	37,204.73
3,639.90	1,090.00	(15,169.79)				(1,890,900.00)	(1,894,210.85)	2,098,628.40
	(753.36)	(1,616.83)	(373.96)				(4,361.47)	548.22
613,761.44	825,973.88	205,167.55	835,637.86	584,389.01	(140,976.41)		6,529,128.48	(925,071.47)
						7,073,065.51	13,294,282.49	(2,101,770.05)
998,436.82	1,106,525.57	(22,702.32)	1,671,287.37	1,447,812.09	(140,976.41)	5,182,165.51	21,100,552.09	5,669,321.26
(849,274.80)	382,641.73	(1,652,208.88)	1,166,037.56	(2,681,541.10)	(1,348,068.12)	5,182,165.51	18,607,248.01	11,919,858.55
							(36,008.30)	(8,500.36)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	(36,008.30)	(8,500.36)

UNAUDITED
Texas General Land Office and Veterans Land Board

EXHIBIT E-1

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

For the Year Ended August 31, 2020

	BALANCE 09-01-2019	ADDITIONS	DEDUCTIONS	(EXH. VI) BALANCE 08-31-2020
	\$	\$	\$	\$
UNAPPROPRIATED RECEIPTS				
GENERAL REVENUE FUND (0001)				
U/F (0111)				
ASSETS				
Current Assets:				
Cash in State Treasury	0.00	498,830.37	498,830.37	0.00
Accounts Receivable	0.00	0.00		0.00
Due from Other Funds	0.00	56,740.73		56,740.73
Total Current Assets	<u>0.00</u>	<u>555,571.10</u>	<u>498,830.37</u>	<u>56,740.73</u>
TOTAL ASSETS	<u><u>0.00</u></u>	<u><u>555,571.10</u></u>	<u><u>498,830.37</u></u>	<u><u>56,740.73</u></u>
LIABILITIES				
Current Liabilities:				
Funds Held for Others	0.00	555,567.98	498,830.37	56,737.61
Total Current Liabilities	<u>0.00</u>	<u>555,571.10</u>	<u>498,830.37</u>	<u>56,740.73</u>
TOTAL LIABILITIES	<u><u>0.00</u></u>	<u><u>555,571.10</u></u>	<u><u>498,830.37</u></u>	<u><u>56,740.73</u></u>
OTHER AGENCY FUNDS				
CHILD SUPPORT ADDENDA DEDUCTS - SUSPENSE (0807)				
U/F (8070)				
ASSETS				
Current Assets:				
Cash in State Treasury	7,601.26	91,309.12	91,345.12	7,565.26
Total Current Assets	<u>7,601.26</u>	<u>91,309.12</u>	<u>91,345.12</u>	<u>7,565.26</u>
TOTAL ASSETS	<u><u>7,601.26</u></u>	<u><u>91,309.12</u></u>	<u><u>91,345.12</u></u>	<u><u>7,565.26</u></u>
LIABILITIES				
Current Liabilities:				
Funds Held for Others	7,601.26	91,309.12	91,345.12	7,565.26
Total Current Liabilities	<u>7,601.26</u>	<u>91,309.12</u>	<u>91,345.12</u>	<u>7,565.26</u>
TOTAL LIABILITIES	<u><u>7,601.26</u></u>	<u><u>91,309.12</u></u>	<u><u>91,345.12</u></u>	<u><u>7,565.26</u></u>

EXHIBIT E-1 (concluded)

	BALANCE 09-01-2019	ADDITIONS	DEDUCTIONS	(EXH. VI) BALANCE 08-31-2020
PURCHASE/LEASE LAND VACANCY TRUST	\$	\$	\$	\$
ACCOUNT (0873) U/F (0873)				
ASSETS				
Current Assets:				
Cash in State Treasury	30,641.44	558.93	5,076.70	26,123.67
Receivable - Interest and Dividends	0.00	0.00		0.00
Total Current Assets	<u>30,641.44</u>	<u>558.93</u>	<u>5,076.70</u>	<u>26,123.67</u>
TOTAL ASSETS	<u>30,641.44</u>	<u>558.93</u>	<u>5,076.70</u>	<u>26,123.67</u>
LIABILITIES				
Current Liabilities:				
Funds Held for Others	30,641.44	558.93	5,076.70	26,123.67
Total Current Liabilities	<u>30,641.44</u>	<u>558.93</u>	<u>5,076.70</u>	<u>26,123.67</u>
TOTAL LIABILITIES	<u>30,641.44</u>	<u>558.93</u>	<u>5,076.70</u>	<u>26,123.67</u>
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Cash in State Treasury	38,242.70	590,698.42	595,252.19	33,688.93
Receivables:				
Interest and Dividends	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	0.00		0.00
Due From Other Funds	0.00	56,740.73	0.00	56,740.73
Total Current Assets	<u>38,242.70</u>	<u>647,439.15</u>	<u>595,252.19</u>	<u>90,429.66</u>
TOTAL ASSETS	<u>38,242.70</u>	<u>647,439.15</u>	<u>595,252.19</u>	<u>90,429.66</u>
LIABILITIES				
Current Liabilities:				
Funds Held for Others	38,242.70	647,436.03	595,252.19	90,426.54
Total Current Liabilities	<u>38,242.70</u>	<u>647,439.15</u>	<u>595,252.19</u>	<u>90,429.66</u>
TOTAL LIABILITIES	<u>38,242.70</u>	<u>647,439.15</u>	<u>595,252.19</u>	<u>90,429.66</u>

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

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SUPPLEMENTARY SCHEDULES

UNAUDITED ANNUAL FINANCIAL REPORT
AUGUST 31, 2020



UNAUDITED
Texas General Land Office and Veterans Land Board

SCHEDULE 1-A

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended August 31, 2020

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	CFDA NUMBER	NSE NAME/ IDENTIFYING NUMBER	PASS-THROUGH FROM			DIRECT PROGRAM AMOUNT
			AGENCY/ UNIV. NUMBER	STATE AGY. OR UNIV. AMOUNT	NON-STATE ENTITIES AMOUNT	
			\$	\$	\$	
<u>NON-CLUSTERED PROGRAMS</u>						
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION						
Direct Programs:						
Coastal Zone Management Administration Awards	11.022					0.00
Pass-Through To:						
University of Texas at Austin						468,379.71
Total National Oceanic and Atmospheric Administration			0.00	0.00		468,379.71
U.S. DEPARTMENT OF COMMERCE						
Direct Programs:						
Coastal Zone Management Administration Awards	11.419					320,273.68
Pass-Through To:						
Texas A&M AgriLife Extension Service						105,921.03
University of Texas at Arlington						18,876.21
Texas A&M University at Galveston						90,367.67
University of Texas at Austin						139,223.41
Parks and Wildlife Department						97,954.37
Other Non-State Entities						651,622.78
Total U.S. Department of Commerce			0.00	0.00		1,424,239.15
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
Direct Programs:						
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228					490,290,135.37
Pass-Through To:						
University of Texas at Austin						1,244,001.26
Other Non-State Entities						293,171,412.72
Total U.S. Department of Housing and Urban Development			0.00	0.00		784,705,549.35
U.S. DEPARTMENT OF VETERANS AFFAIRS						
Direct Programs:						
Grants to States for Construction of State Home Facilities	64.005					1,933,925.35
Direct Programs:						
Veterans State Nursing Home Care	64.015					72,392,447.80
Direct Programs:						
Burial Expenses Allowance for Veterans	64.101					1,196,512.00
Direct Programs:						
Veterans Cemetery Grants Program	64.203					3,105,256.90
Total U.S. Department of Veterans Affairs			0.00	0.00		78,628,142.05
U.S. ENVIRONMENTAL PROTECTION AGENCY						
Direct Programs:						
Beach Monitoring and Notification Program Implementation Grants	66.472					410,355.27
Total U.S. Environmental Protection Agency			0.00	0.00		410,355.27

UNAUDITED

TOTAL PASS-THROUGH FROM & DIRECT PROGRAM	PASS-THROUGH TO			EXPENDITURES AMOUNT	TOTAL PASS-THROUGH TO & EXPENDITURES
	AGENCY/ UNIV. NUMBER	STATE AGY. OR UNIV. AMOUNT	NON-STATE ENTITIES AMOUNT		
\$	\$	\$	\$	\$	
0.00				0.00	0.00
468,379.71	721	468,379.71			468,379.71
468,379.71		468,379.71	0.00	0.00	468,379.71
320,273.68				320,273.68	320,273.68
105,921.03	555	105,921.03			105,921.03
18,876.21	714	18,876.21			18,876.21
90,367.67	718	90,367.67			90,367.67
139,223.41	721	139,223.41			139,223.41
97,954.37	802	97,954.37			97,954.37
651,622.78			651,622.78		651,622.78
1,424,239.15		452,342.69	651,622.78	320,273.68	1,424,239.15
490,290,135.37				490,290,135.37	490,290,135.37
1,244,001.26	721	1,244,001.26			1,244,001.26
293,171,412.72			293,171,412.72		293,171,412.72
784,705,549.35		1,244,001.26	293,171,412.72	490,290,135.37	784,705,549.35
1,933,925.35				1,933,925.35	1,933,925.35
72,392,447.80				72,392,447.80	72,392,447.80
1,196,512.00				1,196,512.00	1,196,512.00
3,105,256.90				3,105,256.90	3,105,256.90
78,628,142.05		0.00	0.00	78,628,142.05	78,628,142.05
410,355.27				410,355.27	410,355.27
410,355.27		0.00	0.00	410,355.27	410,355.27

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Texas General Land Office and Veterans Land Board

SCHEDULE 1-A (continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended August 31, 2020

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	CFDA NUMBER	NSE NAME/ IDENTIFYING NUMBER	PASS-THROUGH FROM			DIRECT PROGRAM AMOUNT
			AGENCY/ UNIV. NUMBER	STATE AGY. OR UNIV. AMOUNT	NON-STATE ENTITIES AMOUNT	
			\$	\$	\$	
U.S. DEPARTMENT OF HOMELAND SECURITY						
Direct Programs:						
Disaster Grants - Public Assistance	97.036					0.00
Pass-Through From:						
Texas Division of Emergency Management			575	16,644,093.35		
Direct Programs:						
Federal Disaster Assistance to Individuals and Households in Presidential Declared Disaster Areas	97.048					8,059,196.24
Pass-Through To:						
Other Non-State Entities						7,340,663.55
Total U.S. Department of Homeland Security				16,644,093.35	0.00	15,399,859.79
RESEARCH & DEVELOPMENT CLUSTER						
U.S. DEPARTMENT OF COMMERCE						
Direct Programs:						
Coastal Zone Management Administration Awards	11.419					
Pass-Through To:						
Texas A&M AgriLife Research						16,321.58
Texas A&M University - Kingsville						49,205.78
University of Texas Rio Grande Valley						10,491.28
Texas State University						55,559.96
Texas A&M University - Corpus Christi						501,332.17
Total U.S. Department of Commerce				0.00	0.00	632,910.77
CDBG ENTITLEMENT GRANTS CLUSTER						
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
Direct Programs:						
Community Development Block Grants/Entitlement Grants	14.218					(171,564.35)
Pass-Through To:						
Other Non-State Entities						3,849,161.31
Total U.S. Department of Housing and Urban Development				0.00	0.00	3,677,596.96
TOTAL EXPENDITURES OF FEDERAL AWARDS				16,644,093.35	0.00	885,347,033.05

UNAUDITED

TOTAL PASS-THROUGH FROM & DIRECT PROGRAM	PASS-THROUGH TO				TOTAL PASS-THROUGH TO & EXPENDITURES
	AGENCY/ UNIV. NUMBER	STATE AGY. OR UNIV. AMOUNT	NON-STATE ENTITIES AMOUNT	EXPENDITURES AMOUNT	
\$	\$	\$	\$	\$	
0.00				0.00	0.00
16,644,093.35				16,644,093.35	16,644,093.35
8,059,196.24				8,059,196.24	8,059,196.24
7,340,663.55			7,340,663.55		7,340,663.55
32,043,953.14		0.00	7,340,663.55	24,703,289.59	32,043,953.14
16,321.58	556	16,321.58			16,321.58
49,205.78	732	49,205.78			49,205.78
10,491.28	746	10,491.28			10,491.28
55,559.96	754	55,559.96			55,559.96
501,332.17	760	501,332.17			501,332.17
632,910.77		632,910.77	0.00	0.00	632,910.77
(171,564.35)				(171,564.35)	(171,564.35)
3,849,161.31			3,849,161.31		3,849,161.31
3,677,596.96		0.00	3,849,161.31	(171,564.35)	3,677,596.96
901,991,126.40		2,797,634.43	305,012,860.36	594,180,631.61	901,991,126.40

UNAUDITED
Texas General Land Office and Veterans Land Board

SCHEDULE 1-A (concluded)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended August 31, 2020

NOTE 1 - NON-MONETARY ASSISTANCE

Not Applicable.

NOTE 2 - RECONCILIATION

Below is a reconciliation of the total of federal pass-through and federal expenditures as reported on the Schedule of Expenditures of Federal Financial Assistance to the total of federal revenues and federal pass-through revenues as reported in the general purpose financial statements. Generally, federal funds are not earned until expended; therefore, federal revenues equal federal expenditures for the reporting period.

Per Combined Statement of Revenues, Expenditures/Expenses, and Changes in Fund Balances/Net Position:	\$
Federal Revenues (Exhibit II)	811,029,295.21
Federal Pass-Through Revenues (Exhibit II)	16,644,093.35
Federal Non-Operating Revenues (Exhibit IV)	1,933,925.35
Federal Revenues (Exhibit IV)	<u>72,392,447.80</u>
Subtotal	901,999,761.71
Reconciling Items:	
U.S. Coast Guard National Pollution Funds Center	<u>(8,635.31)</u>
TOTAL PASS-THROUGH TO AND EXPENDITURES PER FEDERAL SCHEDULE	<u><u>901,991,126.40</u></u>

NOTE 3a - STUDENT LOANS PROCESSED AND ADMINISTRATIVE COST RECOVERED

Not Applicable.

NOTE 3b - FEDERALLY FUNDED LOANS PROCESSED AND ADMINISTRATIVE COST RECOVERED

Not Applicable.

NOTE 5 - UNEMPLOYMENT INSURANCE FUNDS

Not Applicable

NOTE 6 - REBATES FOR THE SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS AND CHILDREN (WIC)

Not Applicable

NOTE 7 - FEDERAL DEFERRED REVENUE

Federal Deferred Revenue 09/01/19 - CFDA 14.228	49,879.01
Increase (Decrease) - CFDA 14.228	<u>420,005.69</u>
Federal Deferred Revenue 08/31/20 - CFDA 14.228	469,884.70
Federal Deferred Revenue 09/01/19 - CFDA 93.498	0.00
Increase (Decrease) - CFDA 93.498	<u>7,073,065.51</u>
Federal Deferred Revenue 08/31/20 - CFDA 93.498	7,073,065.51
Federal Deferred Revenue 09/01/19 - CFDA 97.048	0.00
Increase (Decrease) - CFDA 97.048	<u>1,568,657.82</u>
Federal Deferred Revenue 08/31/20 - CFDA 97.048	1,568,657.82
Total Federal Deferred Revenue 08/31/2020	<u><u>9,111,608.03</u></u>

NOTE 8 - DISASTER GRANTS - PUBLIC ASSISTANCE (CFDA 97.036)

Not Applicable

NOTE 9 - ECONOMIC ADJUSTMENT ASSISTANCE 9 (CFDA 11.307)

Not Applicable

NOTE 10 - 10 PERCENT DE MINIMIS INDIRECT COST RATE

Agency 305 does not use the 10 percent de minimis indirect cost rate, but rather a fixed rate approved by our cognizant agency.

SCHEDULE 1-B

SCHEDULE OF STATE PASS-THROUGH GRANTS FROM/TO STATE AGENCIES

For the Year Ended August 31, 2020

	TOTAL STATE PASS-THROUGH FROM/TO STATE AGENCIES
	\$
STATE PASS-THROUGH FROM:	
Texas Commission on Environmental Quality (Agency 582)	84,994.66
Intergovernmental Cooperative Reimbursement Agreement	
Provide technical expertise in all aspects of database development, data entry and data reporting as well as assist with programmatic quality assurance planning and assessment	
	84,994.66
TOTAL STATE PASS-THROUGH FROM OTHER AGENCIES (EXHIBIT II)	84,994.66
STATE PASS-THROUGH TO:	
Texas A&M Engineering Experiment Station (Agency 712)	101,533.09
Developing UAV and satellite tools for ocean currents for oil transport	
	101,533.09
TOTAL STATE PASS-THROUGH TO OTHER AGENCIES (EXHIBIT II)	101,533.09

UNAUDITED
Texas General Land Office and Veterans Land Board

SCHEDULE 2-A

MISCELLANEOUS BOND INFORMATION

For the Year Ended August 31, 2020

BUSINESS-TYPE ACTIVITIES

DESCRIPTION OF ISSUE	BONDS ISSUED TO DATE	RANGE OF INTEREST RATES		YIELDS ON CAPITAL APPRECIATION BONDS	TERMS OF VARIABLE INTEREST RATES	SCHEDULED MATURITIES		FIRST CALL DATE ⁽¹⁾
						FIRST YEAR	LAST YEAR	
General Obligation Bonds - Self-Supporting								
Vet Hsg Fund II Bds Ser 2001A-2	\$ 20,000,000.00	VAR	VAR		Weekly	2020	2029	03-22-2001
Vet Hsg Fund II Bds Ser 2001C-2	25,000,000.00	VAR	VAR		Weekly	2015	2033	12-18-2001
Vet Hsg Fund II Bds Ser 2002A-2	38,300,000.00	VAR	VAR		Weekly	2003	2033	07-10-2002
Vet Land Bds Ser 2002	20,000,000.00	VAR	VAR		Weekly	2003	2032	02-21-2002
Vet Hsg Fund II Bds Ser 2003A	50,000,000.00	VAR	VAR		Weekly	2003	2033	03-04-2003
Vet Hsg Fund II Bds Ser 2003B	50,000,000.00	VAR	VAR		Weekly	2004	2034	10-22-2003
Vet Hsg Fund II Bds Ser 2004A	50,000,000.00	VAR	VAR		Weekly	2004	2034	04-07-2004
Vet Hsg Fund II Bds Ser 2004B	50,000,000.00	VAR	VAR		Weekly	2005	2034	09-15-2004
Vet Hsg Fund II Bds Ser 2005A	50,000,000.00	VAR	VAR		Weekly	2005	2035	02-24-2005
Vet Hsg Fund II Bds Ser 2005B	50,000,000.00	VAR	VAR		Weekly	2006	2036	08-09-2005
Vet Hsg Fund II Bds Ser 2006A	50,000,000.00	VAR	VAR		Weekly	2006	2036	06-01-2006
Vet Hsg Fund II Bds Ser 2006D	50,000,000.00	VAR	VAR		Weekly	2007	2036	09-20-2006
Vet Hsg Fund II Bds Ser 2007A	50,000,000.00	VAR	VAR		Weekly	2007	2037	02-22-2007
Vet Hsg Fund II Bds Ser 2007B	50,000,000.00	VAR	VAR		Weekly	2008	2038	06-26-2007
Vet Hsg Fund II Bds Ser 2008A	50,000,000.00	VAR	VAR		Weekly	2008	2038	03-26-2008
Vet Hsg Fund II Bds Ser 2008B	50,000,000.00	VAR	VAR		Weekly	2008	2038	09-11-2008
Vet Hsg Fund II Bds Ser 2010A	74,995,000.00	3.000%	5.000%			2010	2025	N/A
Veterans Bonds, Ser 2010C	74,995,000.00	VAR	VAR		Weekly	2010	2040	08-20-2010
Veterans Bonds, Ser 2011A	74,995,000.00	VAR	VAR		Weekly	2011	2041	03-09-2011
Veterans Bonds, Ser 2011B	74,995,000.00	VAR	VAR		Weekly	2011	2041	08-25-2011
Veterans Bonds, Ser 2011C	74,995,000.00	VAR	VAR		Weekly	2012	2042	12-15-2011
Veterans Bonds, Ser 2012A	74,995,000.00	VAR	VAR		Weekly	2012	2042	05-23-2012
Veterans Bonds, Ser 2012B	100,000,000.00	VAR	VAR		Weekly	2012	2042	11-01-2012
Veterans Bonds, Ser 2013A	99,995,000.00	VAR	VAR		Weekly	2013	2043	03-20-2013
Veterans Bonds, Ser 2013B	149,995,000.00	VAR	VAR		Weekly	2013	2043	08-22-2013
Veterans Bonds, Tax Ref Ser 2013C	297,600,000.00	VAR	VAR		Monthly	2013	2031	10-24-2013
Veterans Bonds, Ser 2014A	150,000,000.00	VAR	VAR		Weekly	2014	2044	02-26-2014
Veterans Bonds, Tax Ref Ser 2014C-1	72,695,000.00	VAR	VAR		Monthly	2014	2033	07-01-2014
Veterans Bonds, Tax Ref Ser 2014C-2	194,935,000.00	VAR	VAR		Monthly	2014	2032	07-01-2014
Vet Land Tax Ref Bds Ser 2014C-3	70,965,000.00	VAR	VAR		Monthly	2014	2030	07-01-2014
Veterans Bonds, Ser 2014D	100,000,000.00	VAR	VAR		Weekly	2014	2045	09-10-2014
Veterans Bonds, Ser 2015A	125,000,000.00	VAR	VAR		Weekly	2015	2045	02-11-2015
Veterans Bonds, Ser 2015B	125,000,000.00	VAR	VAR		Weekly	2015	2046	07-22-2015
Veterans Bonds, Ser 2016	250,000,000.00	VAR	VAR		Weekly	2016	2046	01-21-2016
Veterans Bonds, Ser 2017	250,000,000.00	VAR	VAR		Weekly	2017	2047	01-19-2017
Veterans Bonds, Ser 2018	250,000,000.00	VAR	VAR		Weekly	2018	2049	06-28-2018
Veterans Bonds, Ser 2019	250,000,000.00	VAR	VAR		Weekly	2019	2050	04-11-2019
Veterans Bonds, Ser 2020	250,000,000.00	VAR	VAR		Weekly	2020	2050	01-09-2020
Total General Obligation Bonds	3,889,455,000.00							
General Obligation Bonds - Direct Placements								
Veterans Bonds, Tax Ref Ser 2014B-1	90,700,000.00	VAR	VAR		Monthly	2014	2024	04-01-2014
Veterans Bonds, Tax Ref Ser 2014B-2	25,085,000.00	VAR	VAR		Monthly	2016	2020	04-01-2014
Vet Land Tax Ref Ser 2014B-3	49,100,000.00	VAR	VAR		Monthly	2014	2024	04-01-2014
Vet Land Tax Ref Bds Ser 2014C-4	113,910,000.00	VAR	VAR		Monthly	2014	2027	07-01-2014
Total General Obligation Bonds - Direct Placement	278,795,000.00							
Total, General Obligation Bonds - Self-Supporting	4,168,250,000.00							
Total, All Bonds	4,168,250,000.00							

⁽¹⁾ The call dates included in this column refer to the respective bond issues' first call dates from any source of funds and may not be reflective of the next call dates actually applicable to the respective issues. Detailed information on the redemption provisions associated with each of these issues is disclosed in the offering statement associated with each individual issue.

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UNAUDITED
Texas General Land Office and Veterans Land Board

SCHEDULE 2-B

CHANGES IN BONDED INDEBTEDNESS

For the Year Ended 08/31/2020

BUSINESS-TYPE ACTIVITIES

DESCRIPTION OF ISSUE	BONDS OUTSTANDING 09-01-2019	BONDS ISSUED FY 2020	BONDS MATURED OR RETIRED	BONDS REFUNDED OR EXTINGUISHED	PAR VALUE ADJUSTMENTS	BONDS OUTSTANDING 08-31-2020
General Obligation Bonds - Self-Supporting	\$	\$	\$	\$		\$
<i>Veterans' Housing Assistance Bonds</i>						
Vet Hsg Fund II Bds Ser 2001A-2	20,000,000.00		390,000.00			19,610,000.00
Vet Hsg Fund II Bds Ser 2001C-2	23,465,000.00		435,000.00			23,030,000.00
Vet Hsg Fund II Bds Ser 2002A-2	28,525,000.00		685,000.00			27,840,000.00
Vet Hsg Fund II Bds Ser 2003A	19,650,000.00		1,610,000.00			18,040,000.00
Vet Hsg Fund II Bds Ser 2003B	20,835,000.00		1,650,000.00			19,185,000.00
Vet Hsg Fund II Bds Ser 2004A	20,490,000.00		1,615,000.00			18,875,000.00
Vet Hsg Fund II Bds Ser 2004B	23,195,000.00		1,730,000.00			21,465,000.00
Vet Hsg Fund II Bds Ser 2005A	22,835,000.00		1,705,000.00			21,130,000.00
Vet Hsg Fund II Bds Ser 2005B	22,545,000.00		1,675,000.00			20,870,000.00
Vet Hsg Fund II Bds Ser 2006A	25,545,000.00		1,540,000.00			24,005,000.00
Vet Hsg Fund II Bds Ser 2006D	26,785,000.00		1,650,000.00			25,135,000.00
Vet Hsg Fund II Bds Ser 2007A	27,135,000.00		1,550,000.00			25,585,000.00
Vet Hsg Fund II Bds Ser 2007B	28,340,000.00		1,780,000.00			26,560,000.00
Vet Hsg Fund II Bds Ser 2008A	28,580,000.00		1,620,000.00			26,960,000.00
Vet Hsg Fund II Bds Ser 2008B	29,675,000.00		1,625,000.00			28,050,000.00
Vet Hsg Fund II Bds Ser 2010A	50,910,000.00		2,845,000.00	48,065,000.00		0.00
Veterans Bonds, Ser 2010C	52,010,000.00		2,835,000.00			49,175,000.00
Veterans Bonds, Ser 2011A	51,610,000.00		2,915,000.00			48,695,000.00
Veterans Bonds, Ser 2011B	52,655,000.00		2,975,000.00			49,680,000.00
Veterans Bonds, Ser 2011C	53,630,000.00		3,035,000.00			50,595,000.00
Veterans Bonds, Ser 2012A	53,420,000.00		3,175,000.00			50,245,000.00
Veterans Bonds, Ser 2012B	70,400,000.00		4,570,000.00			65,830,000.00
Veterans Bonds, Ser 2013A	75,810,000.00		4,280,000.00			71,530,000.00
Veterans Bonds, Ser 2013B	114,935,000.00		6,615,000.00			108,320,000.00
Veterans Bonds, Tax Ref Ser 2013C	248,200,000.00		22,945,000.00			225,255,000.00
Veterans Bonds, Ser 2014A	119,005,000.00		6,735,000.00			112,270,000.00
Veterans Bonds, Tax Ref Ser 2014B-1	36,755,000.00		10,990,000.00			25,765,000.00
Veterans Bonds, Tax Ref Ser 2014B-2	4,630,000.00		4,630,000.00			0.00
Veterans Bonds, Tax Ref Ser 2014C-1	64,120,000.00		2,070,000.00			62,050,000.00
Veterans Bonds, Tax Ref Ser 2014C-2	147,420,000.00		11,485,000.00			135,935,000.00
Veterans Bonds, Ser 2014D	81,005,000.00		4,650,000.00			76,355,000.00
Veterans Bonds, Ser 2015A	102,185,000.00		5,665,000.00			96,520,000.00
Veterans Bonds, Ser 2015B	107,595,000.00		5,825,000.00			101,770,000.00
Veterans Bonds, Ser 2016	206,560,000.00		20,320,000.00			186,240,000.00
Veterans Bonds, Ser 2017	226,500,000.00		20,780,000.00			205,720,000.00
Veterans Bonds, Ser 2018	247,535,000.00		11,360,000.00			236,175,000.00
Veterans Bonds, Ser 2019	250,000,000.00		3,810,000.00			246,190,000.00
Veterans Bonds, Ser 2020		250,000,000.00	150,000.00			249,850,000.00
Total, Veterans' Housing Assistance Bonds	2,784,490,000.00	250,000,000.00	185,920,000.00	48,065,000.00	0.00	2,800,505,000.00
<i>Veterans' Land Bonds</i>						
Vet Land Bds Ser 2002	12,580,000.00		665,000.00			11,915,000.00
Vet Land Tax Ref Bds Ser 2014B-3	23,560,000.00		6,275,000.00			17,285,000.00
Vet Land Tax Ref Bds Ser 2014C-3	55,670,000.00		3,675,000.00			51,995,000.00
Vet Land Tax Ref Bds Ser 2014C-4	73,880,000.00		10,115,000.00			63,765,000.00
Total, Veterans' Land Bonds	165,690,000.00	0.00	20,730,000.00	0.00	0.00	144,960,000.00
Total, General Obligation Bonds - Self-Supporting	2,950,180,000.00	250,000,000.00	206,650,000.00	48,065,000.00	0.00	2,945,465,000.00

UNAUDITED

UNAMORTIZED PREMIUM	UNAMORTIZED DISCOUNT	OTHER ADJUSTMENTS	NET BONDS OUTSTANDING 08-31-2020	AMOUNTS DUE WITHIN ONE YEAR
\$	\$	\$	\$	\$
			19,610,000.00	805,000.00
			23,030,000.00	445,000.00
			27,840,000.00	720,000.00
			18,040,000.00	1,565,000.00
			19,185,000.00	1,610,000.00
			18,875,000.00	1,570,000.00
			21,465,000.00	1,690,000.00
			21,130,000.00	1,660,000.00
			20,870,000.00	1,625,000.00
			24,005,000.00	1,510,000.00
			25,135,000.00	1,630,000.00
			25,585,000.00	1,520,000.00
			26,560,000.00	1,745,000.00
			26,960,000.00	1,575,000.00
			28,050,000.00	1,580,000.00
0.00			0.00	0.00
			49,175,000.00	2,785,000.00
			48,695,000.00	2,850,000.00
			49,680,000.00	2,900,000.00
			50,595,000.00	2,955,000.00
			50,245,000.00	3,075,000.00
			65,830,000.00	4,345,000.00
			71,530,000.00	4,035,000.00
			108,320,000.00	6,415,000.00
			225,255,000.00	23,210,000.00
			112,270,000.00	6,530,000.00
			25,765,000.00	8,255,000.00
			0.00	0.00
			62,050,000.00	2,200,000.00
			135,935,000.00	11,795,000.00
			76,355,000.00	4,500,000.00
			96,520,000.00	5,500,000.00
			101,770,000.00	5,650,000.00
			186,240,000.00	18,555,000.00
			205,720,000.00	20,510,000.00
			236,175,000.00	18,000,000.00
			246,190,000.00	12,545,000.00
			249,850,000.00	6,690,000.00
0.00	0.00	0.00	2,800,505,000.00	194,550,000.00
			11,915,000.00	690,000.00
			17,285,000.00	6,760,000.00
			51,995,000.00	3,900,000.00
			63,765,000.00	10,790,000.00
0.00	0.00	0.00	144,960,000.00	22,140,000.00
0.00	0.00	0.00	2,945,465,000.00	216,690,000.00

UNAUDITED
Texas General Land Office and Veterans Land Board

SCHEDULE 2-C

DEBT SERVICE REQUIREMENTS

August 31, 2020

BUSINESS-TYPE ACTIVITIES

DESCRIPTION OF ISSUE	2021	2022	2023	2024	2025
General Obligation Bonds - Self-Supporting	\$	\$	\$	\$	\$
<i>Veterans' Housing Assistance Bonds</i>					
Vet Hsg Fund II Bds Ser 2001A-2 - Principal	805,000.00	1,455,000.00	2,125,000.00	2,190,000.00	2,235,000.00
Vet Hsg Fund II Bds Ser 2001A-2 - Interest	826,778.49	792,067.63	716,576.85	625,114.81	531,416.79
Vet Hsg Fund II Bds Ser 2001C-2 - Principal	445,000.00	590,000.00	750,000.00	785,000.00	825,000.00
Vet Hsg Fund II Bds Ser 2001C-2 - Interest	1,000,458.10	980,815.59	952,006.59	918,832.59	884,239.95
Vet Hsg Fund II Bds Ser 2002A-2 - Principal	720,000.00	760,000.00	1,365,000.00	2,025,000.00	2,115,000.00
Vet Hsg Fund II Bds Ser 2002A-2 - Interest	1,071,230.37	1,042,961.12	1,013,239.68	948,568.92	869,279.49
Vet Hsg Fund II Bds Ser 2003A - Principal	1,565,000.00	1,525,000.00	1,470,000.00	1,435,000.00	1,385,000.00
Vet Hsg Fund II Bds Ser 2003A - Interest	583,073.40	531,613.60	481,640.60	433,402.20	386,485.40
Vet Hsg Fund II Bds Ser 2003B - Principal	1,610,000.00	1,575,000.00	1,540,000.00	1,505,000.00	1,470,000.00
Vet Hsg Fund II Bds Ser 2003B - Interest	639,083.53	584,635.53	531,293.49	479,227.57	428,267.64
Vet Hsg Fund II Bds Ser 2004A - Principal	1,570,000.00	1,530,000.00	1,490,000.00	1,455,000.00	1,415,000.00
Vet Hsg Fund II Bds Ser 2004A - Interest	25,872.00	23,688.00	21,560.00	19,488.00	17,465.00
Vet Hsg Fund II Bds Ser 2004B - Principal	1,690,000.00	1,660,000.00	1,620,000.00	1,590,000.00	1,555,000.00
Vet Hsg Fund II Bds Ser 2004B - Interest	774,272.00	712,356.00	651,636.00	592,296.00	534,152.00
Vet Hsg Fund II Bds Ser 2005A - Principal	1,660,000.00	1,620,000.00	1,580,000.00	1,540,000.00	1,510,000.00
Vet Hsg Fund II Bds Ser 2005A - Interest	679,163.05	625,059.53	572,267.61	520,787.29	470,536.60
Vet Hsg Fund II Bds Ser 2005B - Principal	1,625,000.00	1,585,000.00	1,540,000.00	1,500,000.00	1,460,000.00
Vet Hsg Fund II Bds Ser 2005B - Interest	28,644.00	26,383.00	24,181.50	22,039.50	19,953.50
Vet Hsg Fund II Bds Ser 2006A - Principal	1,510,000.00	1,490,000.00	1,480,000.00	1,470,000.00	1,460,000.00
Vet Hsg Fund II Bds Ser 2006A - Interest	830,979.32	778,048.45	725,733.06	673,769.38	622,157.39
Vet Hsg Fund II Bds Ser 2006D - Principal	1,630,000.00	1,600,000.00	1,580,000.00	1,555,000.00	1,535,000.00
Vet Hsg Fund II Bds Ser 2006D - Interest	912,105.42	852,251.39	793,411.82	735,402.28	678,222.77
Vet Hsg Fund II Bds Ser 2007A - Principal	1,520,000.00	1,500,000.00	1,480,000.00	1,470,000.00	1,455,000.00
Vet Hsg Fund II Bds Ser 2007A - Interest	918,722.42	863,500.67	809,007.92	755,153.04	701,753.77
Vet Hsg Fund II Bds Ser 2007B - Principal	1,745,000.00	1,705,000.00	1,670,000.00	1,635,000.00	1,605,000.00
Vet Hsg Fund II Bds Ser 2007B - Interest	969,667.20	905,264.00	842,252.80	780,633.60	720,220.80
Vet Hsg Fund II Bds Ser 2008A - Principal	1,575,000.00	1,545,000.00	1,520,000.00	1,495,000.00	1,480,000.00
Vet Hsg Fund II Bds Ser 2008A - Interest	847,158.01	797,170.42	748,139.54	699,826.19	652,310.08
Vet Hsg Fund II Bds Ser 2008B - Principal	1,580,000.00	1,545,000.00	1,520,000.00	1,500,000.00	1,480,000.00
Vet Hsg Fund II Bds Ser 2008B - Interest	891,712.70	841,080.20	791,495.81	742,637.04	694,423.27
Veterans Bonds, Series 2010C - Principal	2,785,000.00	2,735,000.00	2,685,000.00	2,640,000.00	2,595,000.00
Veterans Bonds, Series 2010C - Interest	1,119,530.16	1,055,499.27	992,623.13	930,901.74	870,219.63
Veterans Bonds, Series 2011A - Principal	2,850,000.00	2,780,000.00	2,720,000.00	2,660,000.00	2,600,000.00
Veterans Bonds, Series 2011A - Interest	1,283,465.21	1,207,628.96	1,133,665.21	1,061,306.46	990,552.71
Veterans Bonds, Series 2011B - Principal	2,900,000.00	2,825,000.00	2,755,000.00	2,685,000.00	2,620,000.00
Veterans Bonds, Series 2011B - Interest	1,158,646.72	1,090,477.12	1,024,023.58	959,167.77	896,028.04
Veterans Bonds, Series 2011C - Principal	2,955,000.00	2,875,000.00	2,800,000.00	2,725,000.00	2,655,000.00
Veterans Bonds, Series 2011C - Interest	955,672.63	899,408.67	844,630.39	791,337.79	739,387.08
Veterans Bonds, Series 2012A - Principal	3,075,000.00	2,990,000.00	2,900,000.00	2,810,000.00	2,730,000.00
Veterans Bonds, Series 2012A - Interest	837,032.40	785,384.10	735,174.00	686,486.70	639,279.90
Veterans Bonds, Series 2012B - Principal	4,345,000.00	4,140,000.00	3,955,000.00	3,790,000.00	3,635,000.00
Veterans Bonds, Series 2012B - Interest	936,643.34	874,530.85	815,312.36	758,698.47	704,435.95

UNAUDITED

2026-2030	2031-2035	2036-2040	2041-2045	2046-2050	2051-2055	TOTAL REQUIREMENTS
\$	\$	\$	\$	\$	\$	\$
10,800,000.00	0.00	0.00	0.00	0.00	0.00	19,610,000.00
1,184,960.41	0.00	0.00	0.00	0.00	0.00	4,676,914.98
7,795,000.00	11,840,000.00	0.00	0.00	0.00	0.00	23,030,000.00
3,770,705.56	1,055,566.20	0.00	0.00	0.00	0.00	9,562,624.58
12,135,000.00	8,720,000.00	0.00	0.00	0.00	0.00	27,840,000.00
3,024,035.43	603,238.71	0.00	0.00	0.00	0.00	8,572,553.72
6,295,000.00	4,365,000.00	0.00	0.00	0.00	0.00	18,040,000.00
1,279,391.40	319,992.40	0.00	0.00	0.00	0.00	4,015,599.00
6,880,000.00	4,605,000.00	0.00	0.00	0.00	0.00	19,185,000.00
1,416,584.12	324,220.91	0.00	0.00	0.00	0.00	4,403,312.79
6,690,000.00	4,725,000.00	0.00	0.00	0.00	0.00	18,875,000.00
58,474.50	14,731.50	0.00	0.00	0.00	0.00	181,279.00
7,330,000.00	6,020,000.00	0.00	0.00	0.00	0.00	21,465,000.00
1,838,528.00	546,756.00	0.00	0.00	0.00	0.00	5,649,996.00
7,020,000.00	6,200,000.00	0.00	0.00	0.00	0.00	21,130,000.00
1,638,270.76	544,969.92	0.00	0.00	0.00	0.00	5,051,054.76
6,820,000.00	5,995,000.00	345,000.00	0.00	0.00	0.00	20,870,000.00
70,283.50	25,039.00	248.50	0.00	0.00	0.00	216,772.50
7,350,000.00	7,730,000.00	1,515,000.00	0.00	0.00	0.00	24,005,000.00
2,340,475.92	1,020,633.54	39,302.48	0.00	0.00	0.00	7,031,099.54
7,460,000.00	7,380,000.00	2,395,000.00	0.00	0.00	0.00	25,135,000.00
2,556,569.63	1,193,760.56	88,167.11	0.00	0.00	0.00	7,809,890.98
7,305,000.00	7,700,000.00	3,155,000.00	0.00	0.00	0.00	25,585,000.00
2,713,794.14	1,353,662.11	141,243.76	0.00	0.00	0.00	8,256,837.83
7,570,000.00	6,920,000.00	3,710,000.00	0.00	0.00	0.00	26,560,000.00
2,734,816.00	1,385,875.20	230,608.00	0.00	0.00	0.00	8,569,337.60
7,250,000.00	7,425,000.00	4,670,000.00	0.00	0.00	0.00	26,960,000.00
2,563,318.73	1,399,732.10	264,766.77	0.00	0.00	0.00	7,972,421.84
7,290,000.00	7,560,000.00	5,575,000.00	0.00	0.00	0.00	28,050,000.00
2,764,067.42	1,575,251.57	361,361.32	0.00	0.00	0.00	8,662,029.33
12,360,000.00	11,535,000.00	10,815,000.00	1,025,000.00	0.00	0.00	49,175,000.00
3,475,104.78	2,092,753.47	797,874.52	11,836.19	0.00	0.00	11,346,342.89
12,195,000.00	11,015,000.00	10,045,000.00	1,830,000.00	0.00	0.00	48,695,000.00
3,944,087.76	2,386,501.79	974,168.32	36,179.39	0.00	0.00	13,017,555.81
12,175,000.00	10,800,000.00	9,640,000.00	3,280,000.00	0.00	0.00	49,680,000.00
3,585,354.88	2,219,950.59	1,005,265.13	84,324.40	0.00	0.00	12,023,238.23
12,295,000.00	10,830,000.00	9,575,000.00	3,885,000.00	0.00	0.00	50,595,000.00
2,963,778.57	1,850,432.64	868,113.68	97,719.12	0.00	0.00	10,010,480.57
12,465,000.00	10,685,000.00	9,165,000.00	3,425,000.00	0.00	0.00	50,245,000.00
2,535,462.00	1,551,014.10	706,071.60	75,632.40	0.00	0.00	8,551,537.20
16,265,000.00	13,550,000.00	11,410,000.00	4,740,000.00	0.00	0.00	65,830,000.00
2,778,457.88	1,692,990.60	782,863.56	100,277.15	0.00	0.00	9,444,210.16

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UNAUDITED
Texas General Land Office and Veterans Land Board

SCHEDULE 2-C (concluded)

August 31, 2020

BUSINESS-TYPE ACTIVITIES

DESCRIPTION OF ISSUE	2021	2022	2023	2024	2025
General Obligation Bonds -	\$	\$	\$	\$	\$
Self-Supporting (continued)					
<i>Veterans' Housing Assistance Bonds (concluded)</i>					
Veterans Bonds, Series 2013A - Principal	4,035,000.00	3,835,000.00	3,655,000.00	3,510,000.00	3,380,000.00
Veterans Bonds, Series 2013A - Interest	1,198,542.50	1,130,840.00	1,066,452.50	1,004,955.00	945,880.00
Veterans Bonds, Series 2013B - Principal	6,415,000.00	6,220,000.00	6,030,000.00	5,855,000.00	5,670,000.00
Veterans Bonds, Series 2013B - Interest	2,261,902.73	2,125,319.84	1,992,919.70	1,864,487.82	1,739,970.56
Veterans Bonds, Tax Ref Ser 2013C - Principal	23,210,000.00	22,185,000.00	21,750,000.00	22,270,000.00	27,370,000.00
Veterans Bonds, Tax Ref Ser 2013C - Interest	7,849,092.49	7,020,688.92	6,238,148.84	5,457,128.60	4,614,778.25
Veterans Bonds, Series 2014A - Principal	6,530,000.00	6,335,000.00	6,145,000.00	5,955,000.00	5,780,000.00
Veterans Bonds, Series 2014A - Interest	2,344,713.21	2,203,459.53	2,066,509.37	1,933,644.84	1,804,865.93
Veterans Bonds, Tax Ref Ser 2014B-1 - Principal	8,255,000.00	4,175,000.00	4,565,000.00	4,765,000.00	4,005,000.00
Veterans Bonds, Tax Ref Ser 2014B-1 - Interest	139,211.22	101,467.36	74,217.32	43,746.91	13,128.99
Veterans Bonds, Tax Ref Ser 2014C-1 - Principal	2,200,000.00	2,345,000.00	2,505,000.00	0.00	0.00
Veterans Bonds, Tax Ref Ser 2014C-1 - Interest	455,023.01	441,472.04	427,042.91	415,596.50	415,596.50
Veterans Bonds, Tax Ref Ser 2014C-2 - Principal	11,795,000.00	13,710,000.00	12,700,000.00	12,935,000.00	13,865,000.00
Veterans Bonds, Tax Ref Ser 2014C-2 - Interest	872,804.49	796,540.54	715,991.76	639,258.45	557,444.46
Veterans Bonds, Series 2014D - Principal	4,500,000.00	4,355,000.00	4,215,000.00	4,080,000.00	3,950,000.00
Veterans Bonds, Series 2014D - Interest	1,458,892.05	1,372,341.85	1,288,555.45	1,207,484.34	1,128,983.07
Veterans Bonds, Series 2015A - Principal	5,500,000.00	5,330,000.00	5,165,000.00	5,010,000.00	4,860,000.00
Veterans Bonds, Series 2015A - Interest	1,436,500.75	1,354,168.00	1,274,289.00	1,196,863.75	1,121,779.00
Veterans Bonds, Series 2015B - Principal	5,650,000.00	5,480,000.00	5,320,000.00	5,160,000.00	5,005,000.00
Veterans Bonds, Series 2015B - Interest	1,777,154.44	1,677,845.60	1,581,503.20	1,487,994.40	1,397,319.20
Veterans Bonds, Series 2016 - Principal	18,555,000.00	16,935,000.00	15,445,000.00	14,085,000.00	12,830,000.00
Veterans Bonds, Series 2016 - Interest	2,838,581.80	2,554,872.20	2,295,952.00	2,059,827.10	1,844,542.50
Veterans Bonds, Series 2017 - Principal	20,510,000.00	18,700,000.00	17,040,000.00	15,525,000.00	14,125,000.00
Veterans Bonds, Series 2017 - Interest	2,355,581.49	2,120,023.36	1,905,262.72	1,709,595.84	1,531,377.71
Veterans Bonds, Series 2018 - Principal	18,000,000.00	20,700,000.00	19,185,000.00	17,550,000.00	16,050,000.00
Veterans Bonds, Series 2018 - Interest	4,813,721.75	4,417,595.97	3,994,916.60	3,605,584.81	3,249,445.02
Veterans Bonds, Series 2019 - Principal	12,545,000.00	18,855,000.00	20,540,000.00	18,885,000.00	17,275,000.00
Veterans Bonds, Series 2019 - Interest	4,507,046.47	4,243,556.61	3,879,048.43	3,506,257.03	3,164,284.77
Veterans Bonds, Series 2020 - Principal	6,690,000.00	14,950,000.00	20,455,000.00	20,605,000.00	18,800,000.00
Veterans Bonds, Series 2020 - Interest	2,699,465.94	2,601,544.64	2,422,243.72	2,196,382.07	1,977,869.25
Total, Veterans' Housing Assistance Bonds	248,848,144.81	254,571,560.57	251,702,925.45	239,113,884.80	231,343,052.97
<i>Veterans' Land Bonds</i>					
Vet Land Bds Ser 2002 - Principal	690,000.00	725,000.00	755,000.00	790,000.00	825,000.00
Vet Land Bds Ser 2002 - Interest	478,998.00	449,707.50	419,071.50	387,090.00	353,659.50
Vet Land Tax Ref Ser 2014B-3 - Principal	6,760,000.00	1,545,000.00	1,690,000.00	1,850,000.00	5,440,000.00
Vet Land Tax Ref Ser 2014B-3 - Interest	90,379.13	66,265.81	56,171.11	44,828.71	17,833.14
Vet Land Tax Ref Ser 2014-C3 - Principal	3,900,000.00	4,155,000.00	4,425,000.00	4,725,000.00	5,035,000.00
Vet Land Tax Ref Ser 2014-C3 - Interest	330,945.63	304,736.82	276,823.38	247,074.17	215,325.28
Vet Land Tax Ref Ser 2014-C4 - Principal	10,790,000.00	17,240,000.00	9,205,000.00	8,485,000.00	6,325,000.00
Vet Land Tax Ref Ser 2014-C4 - Interest	388,646.32	304,876.48	221,767.86	162,304.67	110,763.53
Total, Veterans' Land Bonds	23,428,969.08	24,790,586.62	17,048,833.85	16,691,297.55	18,322,581.45
Total, General Obligation Bonds - Self-Supporting	272,277,113.89	279,362,147.18	268,751,759.30	255,805,182.35	249,665,634.42
Total, All Bonds	272,277,113.89	279,362,147.18	268,751,759.30	255,805,182.35	249,665,634.42

UNAUDITED

2026-2030	2031-2035	2036-2040	2041-2045	2046-2050	2051-2055	TOTAL REQUIREMENTS
\$	\$	\$	\$	\$	\$	\$
15,670,000.00	14,585,000.00	14,550,000.00	8,310,000.00	0.00	0.00	71,530,000.00
3,903,710.00	2,621,060.00	1,388,475.00	235,705.00	0.00	0.00	13,495,620.00
25,880,000.00	22,145,000.00	18,895,000.00	11,210,000.00	0.00	0.00	108,320,000.00
6,960,204.00	4,369,472.79	2,155,349.93	381,917.31	0.00	0.00	23,851,544.68
101,885,000.00	6,585,000.00	0.00	0.00	0.00	0.00	225,255,000.00
9,067,469.76	179,341.42	0.00	0.00	0.00	0.00	40,426,648.27
26,355,000.00	22,585,000.00	19,335,000.00	13,250,000.00	0.00	0.00	112,270,000.00
7,224,530.00	4,542,888.80	2,245,950.09	417,877.79	0.00	0.00	24,784,439.56
0.00	0.00	0.00	0.00	0.00	0.00	25,765,000.00
0.00	0.00	0.00	0.00	0.00	0.00	371,771.80
0.00	55,000,000.00	0.00	0.00	0.00	0.00	62,050,000.00
2,077,982.50	1,454,587.75	0.00	0.00	0.00	0.00	5,687,301.21
53,630,000.00	17,300,000.00	0.00	0.00	0.00	0.00	135,935,000.00
1,570,295.46	147,064.50	0.00	0.00	0.00	0.00	5,299,399.66
17,905,000.00	15,100,000.00	12,670,000.00	9,580,000.00	0.00	0.00	76,355,000.00
4,553,219.25	2,942,270.47	1,586,511.34	453,600.65	0.00	0.00	15,991,858.47
22,175,000.00	18,995,000.00	16,270,000.00	13,215,000.00	0.00	0.00	96,520,000.00
4,559,935.75	2,996,595.00	1,657,451.50	512,720.50	0.00	0.00	16,110,303.25
22,870,000.00	19,655,000.00	16,885,000.00	14,515,000.00	1,230,000.00	0.00	101,770,000.00
5,718,382.72	3,824,917.90	2,197,944.32	799,872.42	11,909.99	0.00	20,474,844.19
48,740,000.00	29,920,000.00	17,860,000.00	10,240,000.00	1,630,000.00	0.00	186,240,000.00
6,611,419.00	3,515,676.50	1,635,240.20	529,296.70	22,013.30	0.00	23,907,421.30
53,510,000.00	32,680,000.00	19,440,000.00	11,105,000.00	3,085,000.00	0.00	205,720,000.00
5,500,058.41	2,951,982.61	1,411,528.07	508,569.69	47,470.04	0.00	20,041,449.94
61,630,000.00	38,705,000.00	23,795,000.00	14,185,000.00	6,375,000.00	0.00	236,175,000.00
11,891,138.07	6,651,936.31	3,388,540.30	1,405,733.16	260,038.67	0.00	43,678,650.66
66,470,000.00	41,900,000.00	25,890,000.00	15,545,000.00	8,285,000.00	0.00	246,190,000.00
11,633,489.85	6,584,378.09	3,426,201.65	1,495,562.10	355,345.82	0.00	42,795,170.82
71,720,000.00	44,475,000.00	27,000,000.00	15,885,000.00	8,920,000.00	350,000.00	249,850,000.00
7,230,068.54	4,058,486.95	2,107,897.96	937,777.70	260,056.97	1,898.23	26,493,691.97
919,923,424.70	615,227,732.00	324,066,145.11	163,309,601.67	30,481,834.79	351,898.23	3,278,940,205.08
4,740,000.00	3,390,000.00	0.00	0.00	0.00	0.00	11,915,000.00
1,209,915.00	214,659.00	0.00	0.00	0.00	0.00	3,513,100.50
0.00	0.00	0.00	0.00	0.00	0.00	17,285,000.00
0.00	0.00	0.00	0.00	0.00	0.00	275,477.90
23,090,000.00	6,665,000.00	0.00	0.00	0.00	0.00	51,995,000.00
570,119.46	21,848.87	0.00	0.00	0.00	0.00	1,966,873.61
11,720,000.00	0.00	0.00	0.00	0.00	0.00	63,765,000.00
111,723.41	0.00	0.00	0.00	0.00	0.00	1,300,082.27
41,441,757.87	10,291,507.87	0.00	0.00	0.00	0.00	152,015,534.28
961,365,182.56	625,519,239.86	324,066,145.11	163,309,601.67	30,481,834.79	351,898.23	3,430,955,739.37
961,365,182.56	625,519,239.86	324,066,145.11	163,309,601.67	30,481,834.79	351,898.23	3,430,955,739.37

UNAUDITED
Texas General Land Office and Veterans Land Board

SCHEDULE 2-D

ANALYSIS OF FUNDS AVAILABLE FOR DEBT SERVICE

For the Year Ended August 31, 2020

BUSINESS-TYPE ACTIVITIES

General Obligation Bonds - Self Supporting

	APPLICATION OF FUNDS	
DESCRIPTION OF ISSUE	PRINCIPAL	INTEREST
Veterans' Housing Assistance Bonds	\$ 185,920,000.00	\$ 67,109,210.74
Veterans' Land Bonds	20,730,000.00	7,539,427.96
TOTAL	206,650,000.00	74,648,638.70

SCHEDULE 2-E

DEFEASED BONDS OUTSTANDING

August 31, 2020

BUSINESS-TYPE ACTIVITIES

DESCRIPTION OF ISSUE	YEAR DEFEASED	PAR VALUE OUTSTANDING 08-31-2020
		\$
<i>General Obligation Bonds - Self-Supporting</i>		
<i>Veterans' Land and Housing Bonds</i>		
Vet Land Bds Ser '82	1986	15,500,000.00
<i>Total, Veterans' Land and Housing Bonds</i>		<u>15,500,000.00</u>

UNAUDITED
Texas General Land Office and Veterans Land Board

SCHEDULE 2-F

EARLY EXTINGUISHMENT AND REFUNDING

For the Year Ended August 31, 2020

BUSINESS-TYPE ACTIVITIES

DESCRIPTION OF ISSUE	CATEGORY	AMOUNT EXTINGUISHED OR REFUNDED	FOR REFUNDING ONLY		
			REFUNDING ISSUE PAR VALUE	CASH FLOW INCREASE (DECREASE)	ECONOMIC GAIN/ (LOSS)
		\$	\$	\$	\$
General Obligation Bonds - Self-Supporting					
<i>Veterans' Housing Bonds</i>					
Vet Hsg Fund II Bds Ser 2010A	Extinguishment	48,065,000.00			
<i>Total, Veterans' Housing Bonds</i>		<u>48,065,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total, General Obligation Bonds - Self-Supporting		<u>48,065,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total, Business-Type Activities		<u><u>48,065,000.00</u></u>	<u><u>0.00</u></u>	<u><u>0.00</u></u>	<u><u>0.00</u></u>

UNAUDITED

SCHEDULE 2-G

DATA ON BOND ISSUES - BY SERIES

Period from October 1, 1949 through August 31, 2020

BUSINESS-TYPE ACTIVITIES

DESCRIPTION OF ISSUE	DATE OF BONDS	FINAL BOND MATURITY DATE	TRUE INTEREST COST (PERCENT)	BONDS ISSUED ⁽¹⁾	BONDS MATURED	BONDS REFUNDED OR EXTINGUISHED	BONDED DEBT 08-31-2020
General Obligation Bonds - Self-Supporting				\$	\$	\$	\$
<i>Veterans' Housing Assistance Bonds</i>							
Vet Hsg Bds Ser '84	01-01-84	12-01-03	8.97900	85,000,000.00	45,500,000.00	39,500,000.00	0.00
Vet Hsg Bds Ser '84A	05-01-84	06-01-03	9.04370	165,000,000.00	75,000,000.00	90,000,000.00	0.00
Vet Hsg Bds Ser '84B	11-01-84	12-01-03	9.27060	250,000,000.00	183,700,000.00	66,300,000.00	0.00
Vet Hsg Bds Ser '85	12-01-85	12-01-16	8.30140	250,000,000.00	14,730,000.00	235,270,000.00	0.00
Vet Hsg Bds Ser '92	07-15-92	06-01-23	6.28790	35,000,000.00	4,590,000.00	30,410,000.00	0.00
Vet Hsg Bds Ser '93	01-01-93	12-01-23	6.55220	125,000,000.00	18,765,000.00	106,235,000.00	0.00
Vet Hsg Bds Ser '94A-1	02-24-94	12-01-23	VAR	10,000,000.00	5,000,000.00	5,000,000.00	0.00
Vet Hsg Bds Ser '94B-1-2-3	02-01-94	12-01-23	5.60600	25,000,000.00	3,840,000.00	21,160,000.00	0.00
Vet Hsg Bds Ser '94B-4	06-01-94	12-01-24	6.42060	35,000,000.00	5,100,000.00	29,900,000.00	0.00
Vet Hsg Tax Ref Bds Ser '94A-1	04-01-94	06-01-03	7.38100	75,420,000.00	36,505,000.00	38,915,000.00	0.00
Vet Hsg Tax Ref Bds Ser '94A-2	04-01-94	12-01-33	VAR	59,600,000.00		59,600,000.00	0.00
Vet Hsg Fund II Bds Ser '94A	10-01-94	12-01-25	6.68000	160,000,000.00	390,000.00	159,610,000.00	0.00
Vet Hsg Fund II Tax Bds Ser '94B	10-01-94	12-01-12	8.58210	75,000,000.00	16,900,000.00	58,100,000.00	0.00
Vet Hsg Ref Bds Ser '94C	10-01-94	12-01-15	6.68000	93,985,000.00	37,650,000.00	56,335,000.00	0.00
Vet Hsg Bds Ser '94D	10-01-94	12-01-25	6.68000	20,000,000.00		20,000,000.00	0.00
Vet Hsg Ref Bds Ser '95	10-31-95	12-01-16	5.52000	88,490,000.00	88,490,000.00		0.00
Vet Hsg Ref Bds Ser '95A	10-15-95	12-01-25	5.90359	15,175,000.00		15,175,000.00	0.00
Vet Hsg Ref Bds Ser '95B	10-15-95	12-01-09	5.90359	4,985,000.00	3,220,000.00	1,765,000.00	0.00
Vet Hsg Fund II Ref Bds Ser '95C	10-15-95	12-01-26	6.15538	14,840,000.00		14,840,000.00	0.00
Vet Hsg Fund II Ref Bds Ser '95D	07-17-96	12-01-26	6.41036	47,930,000.00		47,930,000.00	0.00
Vet Hsg Fund II Ref Bds Ser '95E	10-15-95	12-01-26	6.17393	47,930,000.00		47,930,000.00	0.00
Vet Hsg Fund II Tax Ref Bds Ser '96	01-15-96	12-01-27	7.39050	26,145,000.00	2,220,000.00	23,925,000.00	0.00
Vet Hsg Fund II Bds Ser '97A	11-01-97	06-01-29	5.41740	100,000,000.00	11,245,000.00	88,755,000.00	0.00
Vet Hsg Fund II Tax Bds Ser '97B-1	11-01-97	06-01-21	6.23160	25,000,000.00	5,235,000.00	19,765,000.00	0.00
Vet Hsg Fund II Tax Bds Ser '97B-2	12-18-97	12-01-29	VAR	25,000,000.00		25,000,000.00	0.00
Vet Hsg Fund II Tax Bds Ser '99A-1	09-01-99	12-01-29	7.43220	50,000,000.00	6,815,000.00	43,185,000.00	0.00
Vet Hsg Fund II Tax Bds Ser '99A-2	11-01-99	12-01-29	Floating	150,000,000.00		150,000,000.00	0.00
Vet Hsg Fund II Tax Bds Ser '99B	09-01-99	06-01-31	5.83600	100,000,000.00	13,995,000.00	86,005,000.00	0.00
Vet Hsg Fund I Ref Bds Ser '99	10-01-99	12-01-03	4.59400	30,050,000.00	23,450,000.00	6,600,000.00	0.00
Vet Hsg Fund II Tax Ref Bds Ser '99C	11-01-99	12-01-09	7.15000	16,530,000.00	16,530,000.00		0.00
Vet Hsg Fund II Tax Ref Bds Ser '99D	11-01-99	12-01-09	7.15000	9,540,000.00	9,540,000.00		0.00
Vet Hsg Fund II Bds Ser 2000C	05-01-00	12-01-31	5.94500	100,000,000.00	13,280,000.00	86,720,000.00	0.00
Vet Hsg Fund I Tax Ref Bds Ser 2000D	11-01-00	12-01-10	7.07000	15,420,000.00	15,420,000.00		0.00
Vet Hsg Fund II Tax Ref Bds Ser 2000E	11-01-00	12-01-10	7.07000	10,750,000.00	10,750,000.00		0.00
Vet Hsg Fund II Bds Ser 2001A-1	03-01-01	06-01-32	5.28500	40,000,000.00	8,320,000.00	31,680,000.00	0.00
Vet Hsg Fund II Bds Ser 2001A-2	03-22-01	12-01-29	4.25900	20,000,000.00	390,000.00		19,610,000.00
Vet Hsg Fund II Bds Ser 2001C-1	12-01-01	12-01-28	5.12700	35,000,000.00	4,145,000.00	30,855,000.00	0.00
Vet Hsg Fund II Bds Ser 2001C-2	12-18-01	12-01-33	4.36500	25,000,000.00	1,970,000.00		23,030,000.00
Vet Hsg Fund II Bds Ser 2002A-1	06-15-02	12-01-22	4.91960	11,700,000.00	1,775,000.00	9,925,000.00	0.00
Vet Hsg Fund II Bds Ser 2002A-2	07-10-02	06-01-33	3.87250	38,300,000.00	10,460,000.00		27,840,000.00
Vet Hsg Fund I Tax Ref Bds Ser 2002B	11-06-02	06-01-23	4.91000	22,605,000.00	4,910,000.00	17,695,000.00	0.00
Vet Hsg Fund II Bds Ser 2003A	03-04-03	06-01-34	3.30400	50,000,000.00	31,960,000.00		18,040,000.00
Vet Hsg Fund II Bds Ser 2003B	10-22-03	06-01-34	3.40300	50,000,000.00	30,815,000.00		19,185,000.00
Vet Hsg Fund I Tax Ref Bds Ser 2003	11-20-03	06-01-21	5.19000	47,865,000.00	4,630,000.00	43,235,000.00	0.00
Vet Hsg Fund II Bds Ser 2004A	04-07-04	12-01-34	3.31300	50,000,000.00	31,125,000.00		18,875,000.00
Vet Hsg Fund II Bds Ser 2004B	09-15-04	12-01-34	3.68000	50,000,000.00	28,535,000.00		21,465,000.00
Vet Hsg Fund I Tax Ref Bds Ser 2004	05-20-04	12-01-24	5.45000	19,550,000.00	3,015,000.00	16,535,000.00	0.00
Vet Hsg Fund I Tax Ref Bds Ser 2004C	11-18-04	12-01-18	5.34800	7,220,000.00		7,220,000.00	0.00
Vet Hsg Fund II Tax Ref Bds Ser 2004D	11-18-04	06-01-20	5.34800	31,705,000.00	6,620,000.00	25,085,000.00	0.00
Vet Hsg Fund II Tax Ref Bds Ser 2004E	11-18-04	12-01-06	5.34800	4,945,000.00	4,945,000.00		0.00
Vet Hsg Fund II Bds Ser 2005A	02-24-05	06-01-35	3.27900	50,000,000.00	28,870,000.00		21,130,000.00
Vet Hsg Fund II Bds Ser 2005B	08-09-05	06-01-36	3.08700	50,000,000.00	29,130,000.00		20,870,000.00
Vet Hsg Fund I Tax Ref Bds Ser 2005C	11-16-05	12-01-23	4.92900	19,860,000.00	7,290,000.00	12,570,000.00	0.00
Vet Hsg Fund I Tax Ref Bds Ser 2005C	11-16-05	12-01-09	4.33000	8,525,000.00	8,525,000.00		0.00
Vet Hsg Fund I Tax Ref Bds Ser 2005C	11-16-05	12-01-25	5.14500	13,345,000.00	2,205,000.00	11,140,000.00	0.00
Vet Hsg Fund II Tax Ref Bds Ser 2005D	11-16-05	06-01-26	5.14500	11,540,000.00		11,540,000.00	0.00
Vet Hsg Fund II Tax Ref Bds Ser 2006B	05-10-06	12-01-26	5.83000	38,570,000.00		38,570,000.00	0.00
Vet Hsg Fund II Tax Ref Bds Ser 2006C	05-10-06	12-01-27	5.79000	22,325,000.00	4,745,000.00	17,580,000.00	0.00
Vet Hsg Fund II Bds Ser 2006A	06-01-06	12-01-36	3.51700	50,000,000.00	25,995,000.00		24,005,000.00
Vet Hsg Fund II Bds Ser 2006D	09-20-06	12-01-36	3.68900	50,000,000.00	24,865,000.00		25,135,000.00
Vet Hsg Fund II Tax Ref Bds Ser 2006E	11-15-06	12-01-26	5.46100	39,560,000.00		39,560,000.00	0.00

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UNAUDITED
Texas General Land Office and Veterans Land Board

SCHEDULE 2-G (continued)

DATA ON BOND ISSUES - BY SERIES

Period from October 1, 1949 through August 31, 2020

BUSINESS-TYPE ACTIVITIES

DESCRIPTION OF ISSUE	DATE OF BONDS	FINAL BOND MATURITY DATE	TRUE INTEREST COST (PERCENT)	BONDS ISSUED ⁽¹⁾	BONDS MATURED	BONDS REFUNDED OR EXTINGUISHED	BONDED DEBT 08-31-2020
General Obligation Bonds - Self-Supporting (continued)				\$	\$	\$	\$
<i>Veterans' Housing Assistance Bonds (concluded)</i>							
Vet Hsg Fund II Bds Ser 2007A	02-22-07	06-01-37	3.64500	50,000,000.00	24,415,000.00		25,585,000.00
Vet Hsg Fund II Bds Ser 2007B	06-26-07	06-01-38	3.71200	50,000,000.00	23,440,000.00		26,560,000.00
Vet Hsg Fund II Tax Ref Bds Ser 2007C	11-14-07	06-01-29	4.65800	54,160,000.00	23,135,000.00	31,025,000.00	0.00
Vet Hsg Fund II Bds Ser 2008A	03-26-08	12-01-38	3.18900	50,000,000.00	23,040,000.00		26,960,000.00
Vet Hsg Fund II Bds Ser 2008B	09-11-08	12-01-38	3.22500	50,000,000.00	21,950,000.00		28,050,000.00
Vet Hsg Fund II Bds Ser 2009A	03-05-09	12-01-23	4.33660	50,000,000.00	18,370,000.00	31,630,000.00	0.00
Vet Hsg Fund II Bds Ser 2009B	09-03-09	12-01-24	4.00000	50,000,000.00	15,545,000.00	34,455,000.00	0.00
Vet Hsg Fund II Tax Ref Bds Ser 2009C	11-01-09	12-01-21	6.22000	82,795,000.00	5,780,000.00	77,015,000.00	0.00
Vet Hsg Fund II Bds Ser 2010A	02-25-10	06-01-31	5.45250	74,995,000.00	26,930,000.00	48,065,000.00	0.00
Veterans Bonds, Tax Ref Ser 2010B	05-20-10	12-01-25	3.25000	66,720,000.00	5,840,000.00	60,880,000.00	0.00
Veterans Bonds, Series 2010C	08-20-10	12-01-31	2.30950	74,995,000.00	25,820,000.00		49,175,000.00
Veterans Bonds, Tax Ref Ser 2010E	11-18-10	06-01-32	2.79000	49,995,000.00	8,630,000.00	41,365,000.00	0.00
Veterans Bonds, Series 2011A	03-09-11	06-01-41	2.67500	74,995,000.00	26,300,000.00		48,695,000.00
Veterans Bonds, Series 2011B	08-25-11	12-01-41	2.36700	74,995,000.00	25,315,000.00		49,680,000.00
Veterans Bonds, Series 2011C	12-15-11	06-01-42	1.91700	74,995,000.00	24,400,000.00		50,595,000.00
Veterans Bonds, Series 2012A	05-23-12	12-01-42	1.69200	74,995,000.00	24,750,000.00		50,245,000.00
Veterans Bonds, Series 2012B	11-01-12	12-01-42	1.44700	100,000,000.00	34,170,000.00		65,830,000.00
Veterans Bonds, Series 2013A	03-20-13	06-01-43	1.70000	99,995,000.00	28,465,000.00		71,530,000.00
Veterans Bonds, Series 2013B	08-22-13	12-01-43	2.14500	149,995,000.00	41,675,000.00		108,320,000.00
Veterans Bonds, Tax Ref Ser 2013C	10-24-13	06-01-31	Floating	297,600,000.00	72,345,000.00		225,255,000.00
Veterans Bonds, Ser 2014A	02-26-14	06-01-44	2.17900	150,000,000.00	37,730,000.00		112,270,000.00
Veterans Bonds, Tax Ref Ser 2014B-1	04-01-14	12-01-24	Floating	90,700,000.00	64,935,000.00		25,765,000.00
Veterans Bonds, Tax Ref Ser 2014B-2	04-01-14	12-01-24	Floating	25,085,000.00	25,085,000.00		0.00
Veterans Bonds, Tax Ref Ser 2014C-1	07-01-14	12-01-33	Floating	72,695,000.00	10,645,000.00		62,050,000.00
Veterans Bonds, Tax Ref Ser 2014C-2	07-01-14	12-01-33	Floating	194,935,000.00	59,000,000.00		135,935,000.00
Veterans Bonds, Ser 2014D	09-10-14	06-01-45	1.93950	100,000,000.00	23,645,000.00		76,355,000.00
Veterans Bonds, Ser 2015A	02-11-15	06-01-45	1.51000	125,000,000.00	28,480,000.00		96,520,000.00
Veterans Bonds, Ser 2015B	07-22-15	06-01-46	1.77100	125,000,000.00	23,230,000.00		101,770,000.00
Veterans Bonds, Ser 2016	01-21-16	12-01-46	1.56400	250,000,000.00	63,760,000.00		186,240,000.00
Veterans Bonds, Ser 2017	01-19-17	12-01-47	1.17500	250,000,000.00	44,280,000.00		205,720,000.00
Veterans Bonds, Ser 2018	06-28-18	12-01-49	2.07450	250,000,000.00	13,825,000.00		236,175,000.00
Veterans Bonds, Ser 2019	04-11-19	06-01-50	1.85100	250,000,000.00	3,810,000.00		246,190,000.00
Veterans Bonds, Ser 2020	01-09-20	12-01-50	1.08470	250,000,000.00	150,000.00		249,850,000.00
Total, Veterans' Housing Assistance Bonds				6,984,050,000.00	1,871,990,000.00	2,311,555,000.00	2,800,505,000.00
Veterans' Land Bonds							
Vet Land Bds Ser '49	10-01-49	06-01-79	1.66884	5,000,000.00	5,000,000.00		0.00
Vet Land Bds Ser '50	04-01-50	06-01-79	1.71816	10,000,000.00	10,000,000.00		0.00
Vet Land Bds Ser '50A	08-01-50	06-01-85	1.71489	10,000,000.00	10,000,000.00		0.00
Vet Land Bds Ser '51	12-01-51	06-01-86	1.93691	15,000,000.00	14,335,000.00	665,000.00	0.00
Vet Land Bds Ser '52	10-01-52	06-01-86	2.21916	10,000,000.00	9,535,000.00	465,000.00	0.00
Vet Land Bds Ser '53	04-01-53	06-01-89	2.38008	10,000,000.00	8,455,000.00	1,545,000.00	0.00
Vet Land Bds Ser '53A	09-01-53	06-01-89	2.66266	15,000,000.00	12,746,000.00	2,254,000.00	0.00
Vet Land Bds Ser '54	04-01-54	06-01-89	2.33869	15,000,000.00	12,808,000.00	2,192,000.00	0.00
Vet Land Bds Ser '54A	09-01-54	06-01-89	2.09701	10,000,000.00	8,938,000.00	1,062,000.00	0.00
Vet Land Bds Ser '57	12-01-57	12-01-86	2.69518	12,500,000.00	11,505,000.00	995,000.00	0.00
Vet Land Bds Ser '58	04-01-58	06-01-88	2.89498	12,500,000.00	9,855,000.00	2,645,000.00	0.00
Vet Land Bds Ser '58A	07-01-58	06-01-90	2.93605	12,500,000.00	8,953,000.00	3,547,000.00	0.00
Vet Land Bds Ser '61	03-01-61	12-01-96	3.25934	12,500,000.00	6,025,000.00	6,475,000.00	0.00
Vet Land Bds Ser '61A	06-01-61	06-01-91	3.50000	25,000,000.00	14,977,000.00	10,023,000.00	0.00
Vet Land Bds Ser '61B	12-01-61	12-01-91	3.27557	25,000,000.00	16,865,000.00	8,135,000.00	0.00
Vet Land Bds Ser '68	01-01-68	06-01-98	4.28248	30,000,000.00	9,750,000.00	20,250,000.00	0.00
Vet Land Bds Ser '68A	06-01-68	06-01-98	4.33323	30,000,000.00	8,500,000.00	21,500,000.00	0.00
Vet Land Bds Ser '71	01-01-71	06-01-88	4.06703	25,000,000.00	18,000,000.00	7,000,000.00	0.00
Vet Land Bds Ser '71A	06-01-71	06-01-98	4.49920	23,500,000.00	16,000,000.00	7,500,000.00	0.00
Vet Land Bds Ser '71B	12-01-71	06-01-98	4.48943	20,800,000.00	3,000,000.00	17,800,000.00	0.00
Vet Land Bds Ser '72	04-01-72	06-01-11	4.03658	40,000,000.00	2,500,000.00	37,500,000.00	0.00
Vet Land Bds Ser '72A	10-01-72	06-01-11	3.69020	30,700,000.00	16,000,000.00	14,700,000.00	0.00
Vet Land Bds Ser '76	05-01-76	06-01-15	4.06238	35,000,000.00	7,000,000.00	28,000,000.00	0.00
Vet Land Bds Ser '76A	09-01-76	06-01-94	5.14892	40,000,000.00	3,000,000.00	37,000,000.00	0.00
Vet Land Bds Ser '77	09-01-77	06-01-91	4.45380	25,000,000.00	25,000,000.00		0.00
Vet Land Bds Ser '78	06-01-78	06-01-95	4.91168	25,000,000.00	25,000,000.00		0.00
Vet Land Bds Ser '79	03-01-79	06-01-96	5.17159	35,000,000.00	35,000,000.00		0.00
Vet Land Bds Ser '80	07-01-80	07-01-10	5.99686	66,000,000.00	66,000,000.00		0.00
Vet Land Bds Ser '82	09-01-82	12-01-20	6.59514	74,000,000.00	74,000,000.00		0.00
Vet Land Bds Ser '83	04-01-83	12-01-01	8.18000	50,000,000.00	50,000,000.00		0.00

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SCHEDULE 2-G (continued)

BUSINESS-TYPE ACTIVITIES

DESCRIPTION OF ISSUE	DATE OF BONDS	FINAL BOND MATURITY DATE	TRUE INTEREST COST (PERCENT)	BONDS ISSUED ⁽¹⁾	BONDS MATURED	BONDS REFUNDED OR EXTINGUISHED	BONDED DEBT 08-31-2020
General Obligation Bonds - Self-Supporting (concluded)				\$	\$	\$	\$
<i>Veterans' Land Bonds (concluded)</i>							
Vet Land Bds Ser '83A	06-01-83	06-01-01	7.76000	50,000,000.00		50,000,000.00	0.00
Vet Land Bds Ser '84	08-01-84	06-01-09	10.12300	75,000,000.00		75,000,000.00	0.00
Vet Land Bds Ser '85A	07-01-85	06-01-07	8.07560	75,000,000.00		75,000,000.00	0.00
Vet Land Bds Ser '85B	07-01-85	06-01-07	8.07560	100,000,000.00		100,000,000.00	0.00
Vet Land Bds Ser '89	04-01-89	12-01-18	7.61600	45,000,000.00	4,975,000.00	40,025,000.00	0.00
Vet Land Bds Ser '93	01-01-93	12-01-23	6.50710	35,000,000.00	5,715,000.00	29,285,000.00	0.00
Vet Land Bds Ser '94	04-15-94	12-01-24	6.31070	41,350,000.00	16,595,000.00	24,755,000.00	0.00
Vet Land Tax Bds Ser '95	03-15-95	12-01-26	8.17990	25,000,000.00	2,205,000.00	22,795,000.00	0.00
Vet Land Tax Bds Ser '96	01-01-96	12-01-27	6.91376	35,000,000.00	3,970,000.00	31,030,000.00	0.00
Vet Land Bds Ser '96	02-01-96	12-01-26	5.35913	39,639,000.00	15,604,000.00	24,035,000.00	0.00
Vet Land Tax Bds Ser '96A	12-01-96	12-01-27	7.10847	50,000,000.00	8,950,000.00	41,050,000.00	0.00
Vet Land Ref Bds Ser '83	06-01-83	06-01-92	7.76000	36,095,000.00	13,285,000.00	22,810,000.00	0.00
Vet Land Ref Bds Ser '85	12-01-85	12-01-01	7.76000	173,760,000.00	95,460,000.00	78,300,000.00	0.00
Vet Land Ref Bds Ser '86	05-15-86	12-01-03	6.77120	542,785,000.00	223,600,000.00	319,185,000.00	0.00
Vet Land Ref Bds Ser '89	10-01-89	12-01-09	7.16640	49,965,000.00	13,245,000.00	36,720,000.00	0.00
Vet Land Ref Bds Ser '90	09-01-90	12-01-20	7.48310	57,435,000.00	17,475,000.00	39,960,000.00	0.00
Vet Land Ref Bds Ser '91	10-15-91	12-01-21	6.73835	45,594,000.00	17,909,000.00	27,685,000.00	0.00
Vet Land Tax Ref Bds Ser '98A	04-01-98	12-01-01	5.91880	28,495,000.00	28,495,000.00		0.00
Vet Land Tax Ref Bds Ser '98B	04-01-98	12-01-03	5.97880	249,625,000.00	249,625,000.00		0.00
Vet Land Ref Bds Ser '99A	04-28-99	12-01-18	5.11200	40,025,000.00	40,025,000.00		0.00
Vet Land Tax Ref Bds Ser '99B	11-01-99	12-01-09	5.51250	36,720,000.00	36,720,000.00		0.00
Vet Land Bds Ser 2000	06-15-00	12-01-30	5.95890	20,000,000.00	3,520,000.00	16,480,000.00	0.00
Vet Land Tax Bds Ser 2000A	06-15-00	12-01-30	Floating	20,000,000.00	4,545,000.00	15,455,000.00	0.00
Vet Land Tax Ref Bds Ser 2000	11-15-00	12-01-20	6.10600	39,960,000.00	9,395,000.00	30,565,000.00	0.00
Vet Land Bds Ser 2002	02-21-02	12-01-32	4.14000	20,000,000.00	8,085,000.00		11,915,000.00
Vet Land Tax Bds Ser 2002A	02-21-02	12-01-32	Floating	20,000,000.00	3,795,000.00	16,205,000.00	0.00
Vet Land Tax Ref Bds Ser 2002	11-06-02	12-01-21	4.93500	27,685,000.00	3,360,000.00	24,325,000.00	0.00
Vet Land Tax Ref Bds Ser 2003	11-20-03	12-01-23	5.12300	29,285,000.00	10,765,000.00	18,520,000.00	0.00
Vet Land Tax Ref Bds Ser 2004	11-18-04	12-01-24	5.45500	24,755,000.00	4,960,000.00	19,795,000.00	0.00
Vet Land Tax Ref Bds Ser 2005	11-16-05	12-01-26	6.51700	22,795,000.00	4,260,000.00	18,535,000.00	0.00
Vet Land Tax Ref Bds Ser 2006A	05-10-06	12-01-27	6.54000	31,030,000.00	6,750,000.00	24,280,000.00	0.00
Vet Land Tax Ref Bds Ser 2006B	05-10-06	12-01-26	4.61000	24,035,000.00	4,500,000.00	19,535,000.00	0.00
Vet Land Tax Ref Bds Ser 2006C	11-15-06	12-01-27	6.51300	41,050,000.00	9,315,000.00	31,735,000.00	0.00
Vet Land Tax Ref Ser 2010D	11-18-10	12-01-30	5.20900	16,480,000.00	1,455,000.00	15,025,000.00	0.00
Vet Land Tax Ref Ser 2014B-3	04-01-14	12-01-24	Floating	49,100,000.00	31,815,000.00		17,285,000.00
Vet Land Tax Ref Ser 2014C-3	07-01-14	12-01-33	Floating	70,965,000.00	18,970,000.00		51,995,000.00
Vet Land Tax Ref Ser 2014C-4	07-01-14	12-01-33	Floating	113,910,000.00	50,145,000.00		63,765,000.00
Total, Veterans' Land Bonds				<u>3,152,538,000.00</u>	<u>1,213,235,000.00</u>	<u>1,794,343,000.00</u>	<u>144,960,000.00</u>
Total, General Obligation Bonds - Self-Supporting				<u>10,136,588,000.00</u>	<u>3,085,225,000.00</u>	<u>4,105,898,000.00</u>	<u>2,945,465,000.00</u>
Revenue Bonds - Self-Supporting							
<i>Veterans Homes Revenue Bonds</i>							
Vet Home Rev Bds Ser 2000	03-28-00	11-15-32	7.15000	20,000,000.00	20,000,000.00		0.00
Vet Home Rev Ref Bds Ser 2002	05-09-02	08-01-35	6.25000	24,280,000.00	2,485,000.00	21,795,000.00	0.00
Total, Veterans' Homes Revenue Bonds				<u>44,280,000.00</u>	<u>22,485,000.00</u>	<u>21,795,000.00</u>	<u>0.00</u>
<i>Veterans Mortgage Revenue Bonds</i>							
Vet Mort Rev Tax Bds Ser 2000A	03-25-00	12-25-32	8.19000	100,000,000.00	10,757,485.00	89,242,515.00	0.00
Vet Mort Rev Tax Ref Bds Ser 2001B	07-11-01	08-01-04	Floating	160,092,515.00	160,092,515.00		0.00
Total, Veterans' Mortgage Revenue Bonds				<u>260,092,515.00</u>	<u>170,850,000.00</u>	<u>89,242,515.00</u>	<u>0.00</u>
Total, Revenue Bonds - Self-Supporting				<u>304,372,515.00</u>	<u>193,335,000.00</u>	<u>111,037,515.00</u>	<u>0.00</u>
Total, All Bonds				<u>10,440,960,515.00</u>	<u>3,278,560,000.00</u>	<u>4,216,935,515.00</u>	<u>2,945,465,000.00</u>

⁽¹⁾ Includes accretion on capital appreciation bonds and unamortized bond issuance premiums

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UNAUDITED
Texas General Land Office and Veterans Land Board

SCHEDULE 2-G (concluded)

DATA ON BOND ISSUES - BY SERIES

Period from October 1, 1949 through August 31, 2020

BUSINESS-TYPE ACTIVITIES

		\$
Note:	Veterans' Housing Assistance Bonds maturing within one year	194,550,000.00
	Veterans' Housing Assistance Accretion Bonds maturing within one year	0.00
	Veterans' Land Bonds maturing within one year	22,140,000.00
	Veterans' Land Accretion Bonds maturing within one year	<u>0.00</u>
	Subtotal	<u>216,690,000.00</u>
	Veterans' Housing Assistance Bonds maturing subsequent to one year	2,605,955,000.00
	Veterans' Housing Assistance Bonds Accretion maturing subsequent to one year	0.00
	Veterans' Land Bonds maturing subsequent to one year	122,820,000.00
	Veterans' Land Bonds Accretion maturing subsequent to one year	<u>0.00</u>
	Subtotal	<u>2,728,775,000.00</u>
	Total (Exh. III)	<u><u>2,945,465,000.00</u></u>

SCHEDULE 3

DETAIL OF ADDITIONS AND DEDUCTIONS

AGENCY FUNDS

For the Year Ended August 31, 2020

The Governmental Accounting Standards Board (GASB) issued Statement No. 84, *Fiduciary Activities* (Statement 84) to provide clearer guidance on identifying fiduciary activities for accounting and reporting purposes. With the implementation of Statement 84 in fiscal 2020, Agency 305 Custodial Funds (previously known as Agency Funds) are reported on statements A-1 *Combining Balance Sheet* ; A-2 *Combining Statement of Revenues, Expenditures and Changes in Fund Balance*.

UNAUDITED
Texas General Land Office and Veterans Land Board

SCHEDULE 4

SUMMARY OF TEXAS GENERAL LAND OFFICE
DEPOSITS TO OTHER AGENCIES AND COUNTIES - BY FUND AND AGENCY/COUNTY
For the Year Ended August 31, 2020
(With comparative memorandum totals for the year ended August 31, 2019)

	TOTALS	
	2020	2019
GENERAL REVENUE FUND (FUND 0001/AGENCY 644)	\$	\$
Receipts from Mineral Sources:		
Oil Royalty	18,772.63	14,886.20
Gas Royalty	6,335.16	10,914.87
TOTAL AGENCY 644	25,107.79	25,801.07
GENERAL REVENUE FUND (FUND 0001/AGENCY 696)		
Receipts from Mineral Sources:		
Oil Royalty	1,477,355.54	2,795,706.80
Gas Royalty	(757,874.33)	1,441,348.98
Mineral Lease Rental	0.00	1,519.42
Receipts from Misc. Interest and Other Collections:		
Interest	0.00	143,944.68
TOTAL AGENCY 696	719,481.21	4,382,519.88
GENERAL REVENUE FUND (FUND 0001/AGENCY 808)		
Receipts from Mineral Sources:		
Oil Royalty	59,856.30	89,351.30
Gas Royalty	10,420.81	32,881.73
TOTAL AGENCY 808	70,277.11	122,233.03
GENERAL REVENUE FUND (FUND 0001/AGENCY 902)		
Receipts from Mineral Sources:		
Oil Royalty	(22,330.15)	(1,707,100.23)
Gas Royalty	(17,607.20)	46,776.63
Outer Continental Shelf Judgment	538,550.19	679,536.29
Hard Mineral Bonus & Rental	1,137.00	0.00
Receipts from Misc. Interest and Other Collections:		
State of Texas Sales Tax	220.65	315.46
TOTAL AGENCY 902	499,970.49	(980,471.85)
TOTAL GENERAL REVENUE FUND	1,314,836.60	3,550,082.13
SPECIALTY LICENSE PLATES FUND (FUND 0802/AGENCY 305/608)		
Receipts from Specialty License Plates:		
Specialty License Plates	26,747.03	29,583.43
Receipts from Misc. Interest and Other Collections:		
Interest	490.65	828.52
TOTAL SPECIALTY LICENSE PLATES FUND	27,237.68	30,411.95
STATE HIGHWAY FUND (FUND 0006/AGENCY 601)		
Receipts from Mineral Sources:		
Oil Royalty	10,480,298.38	16,897,145.75
Gas Royalty	2,970,609.48	4,865,020.74
Mineral Lease Bonus	808,261.09	1,560,873.83
Mineral Lease Rental	0.00	8,766.67
Hard Mineral Royalty	0.00	1,130.06
Shut-In Mineral Royalty	6,505.91	3,815.62
Receipts from Surface Rentals, Easements, and Damages:		
Rental of Land	51,488.00	46,022.00
Receipts from Misc. Interest and Other Collections:		
Interest	2,922.12	0.00
TOTAL STATE HIGHWAY FUND	14,320,084.98	23,382,774.67

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SCHEDULE 4 (continued)

	TOTALS	
	2020	2019
PERMANENT SCHOOL FUND (FUND 0044/AGENCY 305)		
Receipts from Mineral Sources:		
Oil Royalty	642,819,487.75	647,915,684.28
Gas Royalty	211,245,200.83	296,694,000.56
Oil & Gas Lease Bonus	38,733,838.12	78,893,899.13
Oil & Gas Lease Rental	2,012,886.31	16,288,421.09
Mining Lease Royalty	1,186,152.25	728,230.16
Mining Lease Rental and Bonus	220,300.57	481,953.33
Shut-In Mineral Royalty	180,966.00	219,807.99
Water Royalties	0.00	848,844.90
Prospect Permits	8,063.46	7,417.65
Outer Continental Shelf Judgment	1,077,100.38	1,359,072.62
Miscellaneous Rentals, Royalty, and Easements	1,403,000.29	1,427,092.13
Receipts from Real Asset Investments:		
Internal Investment Receipts - Return of Capital	20,643,868.24	23,239,865.41
Internal Investment Receipts - Capital Gains	21,862,093.58	9,291,686.70
Internal Investment Receipts - Note Principal	15,722.84	13,351.77
Internal Investment Receipts - Note Interest	6,771.52	7,268.06
Internal Investment Receipts - Misc.	18,375,248.72	2,061,350.68
External Investment Receipts - Return of Capital	207,422,328.05	458,905,824.47
External Investment Receipts - Capital Gains	89,239,604.38	147,842,988.24
External Investment Receipts - Dividend	4,824.68	9,651.20
External Investment Receipts - Misc.	63,043,784.71	73,479,972.90
Receipts from State Energy Marketing Program:		
SEMP Receipts for Third Party Purchases	49,221,494.94	60,008,095.56
State Power Program	3,113,533.97	4,968,156.43
Receipts from Surface Rentals, Easements, and Damages:		
Surface Damage Fees	6,108,667.86	8,280,412.88
Surface Lease Rental	3,502,487.02	6,200,932.67
Coastal Private S-T Lease Rental	360,359.23	364,166.01
Coastal Public S-T Lease Rental	1,244.65	0.00
Coastal Commercial	1,620,852.73	1,400,371.09
Coastal Miscellaneous Easements	192,406.41	219,288.15
Land Easement Rental, Riverbeds	7,828.55	44,249.65
Rental of Land - Escrow Consideration	0.00	100.00
Receipts from Surface Rentals, Easements, and Damages (continued):		
Solar Surface Lease Rental or Bonus	(42,539.35)	1,650.00
Uplands Commercial	1,770,096.14	1,743,079.80
Uplands Miscellaneous Easements	1,807,315.92	4,180,933.02
Receipts from Misc. Interest and Other Collections:		
Interest	22,865,585.70	109,058,708.68
Miscellaneous	4,517,418.05	22,471,130.71
Land Office Administrative Fees	766,793.36	568,220.41
TOTAL AGENCY 305	1,415,314,787.86	1,979,225,878.33
TOTAL PERMANENT SCHOOL FUND	1,415,314,787.86	1,979,225,878.33
STATE PARKS FUND (FUND 0064/AGENCY 802)		
Receipts from Mineral Sources:		
Oil Royalty	202,015.00	328,490.54
Gas Royalty	603,663.95	1,145,501.58
Mineral Lease Bonus	0.00	2,232,267.58
Mineral Lease Rental	7,404.80	0.00
TOTAL STATE PARKS FUND	813,083.75	3,706,259.70

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SCHEDULE 4 (continued)

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(With comparative memorandum totals for the year ended August 31, 2019)

	TOTALS	
	2020	2019
MIDWESTERN UNIVERSITY MINERAL FUND (FUND 0412/AGENCY 735)		
Receipts from Mineral Sources:		
Oil Royalty	11,434.49	1,098.45
TOTAL MIDWESTERN UNIVERSITY MINERAL FUND	11,434.49	1,098.45
CAPITAL TRUST FUND (FUND 0543/AGENCY 537)		
Receipts from Surface Rentals, Easements, and Damages:		
Rental of Land	19,409.00	347,475.63
TOTAL AGENCY 537	19,409.00	347,475.63
CAPITAL TRUST FUND (FUND 0543/AGENCY 529)		
Receipts from Mineral Sources:		
Oil Royalty	895,857.26	288,651.48
Gas Royalty	232,941.16	170,419.07
Mineral Lease Bonus	0.00	42,158.25
Receipts from Surface Rentals, Easements, and Damages:		
Rental of Land	42,776.00	62,716.00
Receipts from Real Asset Investments:		
Land Sales	4,030,853.00	0.00
Receipts from Misc. Interest and Other Collections:		
TOTAL AGENCY 529	5,202,427.42	563,944.80
CAPITAL TRUST FUND (FUND 0543/AGENCY 696)		
Receipts from Real Asset Investments:		
Land Sales	-	2,946,191.01
TOTAL AGENCY 696	0.00	2,946,191.01
TOTAL CAPITAL TRUST FUND	5,221,836.42	3,857,611.44
OTHER AGENCY LOCAL FUND ROYALTIES FUND (FUND 0903/AGENCY 710)		
Receipts from Mineral Sources:		
Oil Royalty	0.00	3,715,686.32
Gas Royalty	36,611.19	1,088,963.35
Receipts from Misc. Interest and Other Collections:		
Interest	0.00	2,008.77
TOTAL AGENCY 710	36,611.19	4,806,658.44
OTHER AGENCY LOCAL FUND ROYALTIES FUND (FUND 0903/AGENCY 733)		
Receipts from Mineral Sources:		
Oil Royalty	2,225.07	27,776.51
TOTAL AGENCY 733	2,225.07	27,776.51
TOTAL OTHER AGENCY LOCAL FUND ROYALTIES FUND	38,836.26	4,834,434.95
GAME, FISH, AND WATER SAFETY FUND (FUND 0930/AGENCY 802)		
Receipts from Mineral Sources:		
Oil Royalty	102,093.25	155,143.47
Gas Royalty	608,353.24	67,404.65
Mineral Lease Rental	0.00	0.00
TOTAL GAME, FISH, AND WATER SAFETY FUND	710,446.49	222,548.12

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SCHEDULE 4 (continued)

	TOTALS	
	2020	2019
WORKFORCE COMMISSION FEDERAL FUND (FUND 5026/AGENCY 320)		
Receipts from Mineral Sources:		
Oil Royalty	2,531.55	1,907.09
Gas Royalty	110.27	216.70
Mineral Lease Rental	8.00	4,805.60
Receipts from Sales of Real Property:		
Other Sale of Real Property	0.00	0.00
TOTAL WORKFORCE COMMISSION FEDERAL FUND	2,649.82	6,929.39
COUNTY RIGHT-OF-WAY DEFAULT FUND (FUND 7000)		
Receipts from Mineral Sources:		
Oil Royalty	6.99	0.00
Gas Royalty	3.29	0.00
Receipts from Misc. Interest and Other Collections:		
Interest	(25.41)	25.41
TOTAL CROW DEFAULT	(15.13)	25.41
ATASCOSA COUNTY RIGHT-OF-WAY FUND (FUND 7002)		
Receipts from Mineral Sources:		
Oil Royalty	1,972.80	3,368.64
Gas Royalty	154.14	394.54
Receipts from Misc. Interest and Other Collections:		
Interest	20.99	55.57
TOTAL ATASCOSA COUNTY	2,147.93	3,818.75
AUSTIN COUNTY RIGHT-OF-WAY FUND (FUND 7003)		
Receipts from Mineral Sources:		
Gas Royalty	127.28	77.84
Receipts from Misc. Interest and Other Collections:		
Interest	0.99	0.10
TOTAL AUSTIN COUNTY	128.27	77.94
BRAZOS COUNTY RIGHT-OF-WAY FUND (FUND 7005)		
Receipts from Mineral Sources:		
Oil Royalty	29,203.46	40,861.40
Gas Royalty	1,468.71	3,205.09
Receipts from Misc. Interest and Other Collections:		
Interest	250.42	466.89
TOTAL BRAZOS COUNTY	30,922.59	44,533.38
BURLESON COUNTY RIGHT-OF-WAY FUND (FUND 7007)		
Receipts from Mineral Sources:		
Oil Royalty	10,908.29	34,767.85
Gas Royalty	153.09	647.38
Receipts from Misc. Interest and Other Collections:		
Interest	211.17	308.07
TOTAL BURLESON COUNTY	11,272.55	35,723.30
CHEROKEE COUNTY RIGHT-OF-WAY FUND (FUND 7008)		
Receipts from Mineral Sources:		
Oil Royalty	1,150.47	2,472.59
Receipts from Misc. Interest and Other Collections:		
Interest	12.98	23.67
TOTAL CHEROKEE COUNTY	1,163.45	2,496.26
COLORADO COUNTY RIGHT-OF-WAY FUND (FUND 7009)		
Receipts from Mineral Sources:		
Oil Royalty	538.65	1,072.76
Gas Royalty	1,227.21	3,288.26
Receipts from Misc. Interest and Other Collections:		
Interest	22.41	37.34
TOTAL COLORADO COUNTY	1,788.27	4,398.36

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SCHEDULE 4 (continued)

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(With comparative memorandum totals for the year ended August 31, 2019)

	TOTALS	
	2020	2019
DALLAS COUNTY RIGHT-OF-WAY FUND (FUND 7012)		
Receipts from Mineral Sources:		
Gas Royalty	1,218.80	2,889.54
Receipts from Misc. Interest and Other Collections:		
Interest	13.34	25.80
TOTAL DALLAS COUNTY	1,232.14	2,915.34
DENTON COUNTY RIGHT-OF-WAY FUND (FUND 7013)		
Receipts from Mineral Sources:		
Gas Royalty	16,685.66	24,321.22
Shut-In Mineral Royalty	1,200.00	0.00
Receipts from Misc. Interest and Other Collections:		
Interest	149.96	230.42
TOTAL DENTON COUNTY	18,035.62	24,551.64
DEWITT COUNTY RIGHT-OF-WAY FUND (FUND 7014)		
Receipts from Mineral Sources:		
Oil Royalty	1,277,777.65	2,544,438.31
Gas Royalty	300,449.60	848,427.52
Mineral Lease Bonus	0.00	4,882.00
Receipts from Misc. Interest and Other Collections:		
Interest	18,587.76	28,446.61
TOTAL DEWITT COUNTY	1,596,815.01	3,426,194.44
DIMITT COUNTY RIGHT-OF-WAY FUND (FUND 7015)		
Receipts from Mineral Sources:		
Oil Royalty	33,268.26	84,466.88
Gas Royalty	867.60	7,905.56
Receipts from Misc. Interest and Other Collections:		
Interest	317.51	739.23
TOTAL DIMITT COUNTY	34,453.37	93,111.67
FAYETTE COUNTY RIGHT-OF-WAY FUND (FUND 7016)		
Receipts from Mineral Sources:		
Oil Royalty	705.98	831.70
Gas Royalty	348.02	1,015.34
Shut-In Mineral Royalty	25.00	0.00
Receipts from Misc. Interest and Other Collections:		
Interest	10.68	18.72
TOTAL FAYETTE COUNTY	1,089.68	1,865.76
FORT BEND COUNTY RIGHT-OF-WAY FUND (FUND 7017)		
Receipts from Mineral Sources:		
Gas Royalty	0.00	2.00
TOTAL FORT BEND COUNTY	0.00	2.00
FREESTONE COUNTY RIGHT-OF-WAY FUND (FUND 7018)		
Receipts from Mineral Sources:		
Gas Royalty	560.27	1,104.86
Receipts from Misc. Interest and Other Collections:		
Interest	5.31	8.72
TOTAL FREESTONE COUNTY	565.58	1,113.58

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SCHEDULE 4 (continued)

	TOTALS	
	2020	2019
FRIO COUNTY RIGHT-OF-WAY FUND (FUND 7019)		
Receipts from Mineral Sources:		
Oil Royalty	17,095.60	33,184.79
Gas Royalty	1,301.63	4,055.68
Receipts from Misc. Interest and Other Collections:		
Interest	184.99	389.86
TOTAL FRIO COUNTY	18,582.22	37,630.33
GONZALES COUNTY RIGHT-OF-WAY FUND (FUND 7021)		
Receipts from Mineral Sources:		
Oil Royalty	39,854.88	97,005.08
Gas Royalty	6,823.82	20,412.01
Receipts from Misc. Interest and Other Collections:		
Interest	512.84	1,451.57
TOTAL GONZALES COUNTY	47,191.54	118,868.66
GRIMES COUNTY RIGHT-OF-WAY FUND (FUND 7023)		
Receipts from Mineral Sources:		
Oil Royalty	57.85	4.14
Gas Royalty	50.21	119.57
Receipts from Misc. Interest and Other Collections:		
Interest	1.80	1.25
TOTAL GRIMES COUNTY	109.86	124.96
HARRIS COUNTY RIGHT-OF-WAY FUND (FUND 7024)		
Receipts from Mineral Sources:		
Oil Royalty	483.26	1,109.19
Gas Royalty	2,933.78	4,851.06
Receipts from Misc. Interest and Other Collections:		
Interest	30.69	49.64
TOTAL HARRIS COUNTY	3,447.73	6,009.89
HOOD COUNTY RIGHT-OF-WAY FUND (FUND 7030)		
Receipts from Mineral Sources:		
Oil Royalty	55.65	56.30
Gas Royalty	818.50	1,497.01
Receipts from Misc. Interest and Other Collections:		
Interest	7.69	14.23
TOTAL HOOD COUNTY	881.84	1,567.54
JACKSON COUNTY RIGHT-OF-WAY FUND (FUND 7031)		
Receipts from Mineral Sources:		
Oil Royalty	1,158.15	2,436.84
Receipts from Misc. Interest and Other Collections:		
Interest	14.26	21.35
TOTAL JACKSON COUNTY	1,172.41	2,458.19
JEFFERSON COUNTY RIGHT-OF-WAY FUND (FUND 7032)		
Receipts from Mineral Sources:		
Oil Royalty	3.75	5.80
Gas Royalty	2.30	4.21
TOTAL JEFFERSON COUNTY	6.05	10.01
JOHNSON COUNTY RIGHT-OF-WAY FUND (FUND 7033)		
Receipts from Mineral Sources:		
Gas Royalty	25,184.14	32,792.71
Shut-In Mineral Royalty	25.00	0.00
Receipts from Misc. Interest and Other Collections:		
Interest	198.64	300.28
TOTAL JOHNSON COUNTY	25,407.78	33,092.99

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SCHEDULE 4 (continued)

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(With comparative memorandum totals for the year ended August 31, 2019)

	TOTALS	
	2020	2019
KARNES COUNTY RIGHT-OF-WAY FUND (FUND 7034)		
Receipts from Mineral Sources:		
Oil Royalty	1,216,487.30	1,656,346.02
Gas Royalty	278,878.48	309,447.79
Mineral Lease Bonus	0.00	0.00
Receipts from Misc. Interest and Other Collections:		
Interest	13,919.52	19,519.77
TOTAL KARNES COUNTY	1,509,285.30	1,985,313.58
LA SALLE COUNTY RIGHT-OF-WAY FUND (FUND 7035)		
Receipts from Mineral Sources:		
Oil Royalty	17,128.43	39,396.75
Gas Royalty	3,586.35	8,111.47
Receipts from Misc. Interest and Other Collections:		
Interest	216.26	538.39
TOTAL LA SALLE COUNTY	20,931.04	48,046.61
LAVACA COUNTY RIGHT-OF-WAY FUND (FUND 7036)		
Receipts from Mineral Sources:		
Oil Royalty	15,134.53	29,733.12
Gas Royalty	1,411.72	2,972.53
Receipts from Misc. Interest and Other Collections:		
Interest	210.20	212.88
TOTAL LAVACA COUNTY	16,756.45	32,918.53
LEE COUNTY RIGHT-OF-WAY FUND (FUND 7037)		
Receipts from Mineral Sources:		
Oil Royalty	12,911.30	2,806.96
Gas Royalty	1,608.52	809.93
Mineral Lease Bonus	0.00	0.00
Receipts from Misc. Interest and Other Collections:		
Interest	121.90	29.56
TOTAL LEE COUNTY	14,641.72	3,646.45
LEON COUNTY RIGHT-OF-WAY FUND (FUND 7038)		
Receipts from Mineral Sources:		
Gas Royalty	0.00	(1,094.85)
Receipts from Misc. Interest and Other Collections:		
Interest	(5.00)	5.78
TOTAL LEON COUNTY	(5.00)	(1,089.07)
LIBERTY COUNTY RIGHT-OF-WAY FUND (FUND 7039)		
Receipts from Mineral Sources:		
Oil Royalty	71.09	180.52
Gas Royalty	97.83	564.96
Receipts from Misc. Interest and Other Collections:		
Interest	1.88	5.59
TOTAL LIBERTY COUNTY	170.80	751.07
LIVE OAK COUNTY RIGHT-OF-WAY FUND (FUND 7041)		
Receipts from Mineral Sources:		
Oil Royalty	14,099.41	28,783.17
Gas Royalty	7,394.25	17,262.28
Receipts from Misc. Interest and Other Collections:		
Interest	263.81	476.87
TOTAL LIVE OAK COUNTY	21,757.47	46,522.32

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SCHEDULE 4 (continued)

	TOTALS	
	2020	2018
MATAGORDA COUNTY RIGHT-OF-WAY FUND (FUND 7044)		
Receipts from Mineral Sources:		
Oil Royalty	189.04	464.68
Gas Royalty	392.63	185.38
Receipts from Misc. Interest and Other Collections:		
Interest	(4.50)	7.17
TOTAL MATAGORDA COUNTY	577.17	657.23
MCMULLEN COUNTY RIGHT-OF-WAY FUND (FUND 7045)		
Receipts from Mineral Sources:		
Oil Royalty	9,184.33	15,374.61
Gas Royalty	1,144.37	4,392.68
Receipts from Misc. Interest and Other Collections:		
Interest	109.35	265.19
TOTAL MCMULLEN COUNTY	10,438.05	20,032.48
MIDLAND COUNTY RIGHT-OF-WAY FUND (FUND 7046)		
Receipts from Mineral Sources:		
Oil Royalty	150,991.13	212,106.64
Gas Royalty	(310.36)	14,461.18
Receipts from Misc. Interest and Other Collections:		
Interest	1,238.72	2,770.13
TOTAL MIDLAND COUNTY	151,919.49	229,337.95
MILAM COUNTY RIGHT-OF-WAY FUND (FUND 7047)		
Receipts from Mineral Sources:		
Oil Royalty	5,715.28	5,409.97
Gas Royalty	74.40	38.92
Mineral Lease Bonus	500.00	0.00
Receipts from Misc. Interest and Other Collections:		
Interest	61.35	4.56
TOTAL MILAM COUNTY	6,351.03	5,453.45
MONTAGUE COUNTY RIGHT-OF-WAY FUND (FUND 7048)		
Receipts from Mineral Sources:		
Oil Royalty	355.95	4,657.38
Gas Royalty	43,894.37	5,415.06
Receipts from Misc. Interest and Other Collections:		
Interest	193.31	108.21
TOTAL MONTAGUE COUNTY	44,443.63	10,180.65
ORANGE COUNTY RIGHT-OF-WAY FUND (FUND 7050)		
Receipts from Mineral Sources:		
Oil Royalty	198.96	418.01
Gas Royalty	1,067.32	1,629.38
Receipts from Misc. Interest and Other Collections:		
Interest	10.61	303.05
TOTAL ORANGE COUNTY	1,276.89	2,350.44
PARKER COUNTY RIGHT-OF-WAY FUND (FUND 7051)		
Receipts from Mineral Sources:		
Oil Royalty	35.77	181.61
Gas Royalty	1,604.33	2,270.58
Shut-In Mineral Royalty	0.00	97.00
Receipts from Misc. Interest and Other Collections:		
Interest	14.01	25.96
TOTAL PARKER COUNTY	1,654.11	2,575.15

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	TOTALS	
	2020	2019
REAGAN COUNTY RIGHT-OF-WAY FUND (FUND 7052)		
Receipts from Mineral Sources:		
Oil Royalty	121.24	99.46
Gas Royalty	16.75	16.88
Receipts from Misc. Interest and Other Collections:		
Interest	1.31	0.62
TOTAL REAGAN COUNTY	139.30	116.96
ROBERTSON COUNTY RIGHT-OF-WAY FUND (FUND 7053)		
Receipts from Mineral Sources:		
Oil Royalty	2,757.97	4,236.21
Gas Royalty	372.73	764.34
Receipts from Misc. Interest and Other Collections:		
Interest	29.03	37.14
TOTAL ROBERTSON COUNTY	3,159.73	5,037.69
RUSK COUNTY RIGHT-OF-WAY FUND (FUND 7054)		
Receipts from Mineral Sources:		
Oil Royalty	0.00	221.95
Gas Royalty	574.75	755.74
Receipts from Misc. Interest and Other Collections:		
Interest	4.37	10.40
TOTAL RUSK COUNTY	579.12	988.09
SOMERVELL COUNTY RIGHT-OF-WAY FUND (FUND 7058)		
Receipts from Mineral Sources:		
Oil Royalty	7.65	4.68
Gas Royalty	549.54	1,005.34
Receipts from Misc. Interest and Other Collections:		
Interest	4.88	9.06
TOTAL SOMERVELL COUNTY	562.07	1,019.08
TARRANT COUNTY RIGHT-OF-WAY FUND (FUND 7059)		
Receipts from Mineral Sources:		
Gas Royalty	121,439.77	218,903.37
Shut-In Mineral Royalty	0.00	25.00
Receipts from Misc. Interest and Other Collections:		
Interest	1,081.15	2,000.45
TOTAL TARRANT COUNTY	122,520.92	220,928.82
TOM GREEN COUNTY RIGHT-OF-WAY FUND (FUND 7061)		
Receipts from Mineral Sources:		
Oil Royalty	813.26	2,375.69
Receipts from Misc. Interest and Other Collections:		
Interest	15.11	25.14
TOTAL TOM GREEN COUNTY	828.37	2,400.83
WARD COUNTY RIGHT-OF-WAY FUND (FUND 7064)		
Receipts from Mineral Sources:		
Oil Royalty	32,961.60	2,818.65
Gas Royalty	7,450.63	2,396.02
Receipts from Misc. Interest and Other Collections:		
Interest	302.54	66.67
TOTAL WARD COUNTY	40,714.77	5,281.34

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SCHEDULE 4 (continued)

	TOTALS	
	2020	2019
WASHINGTON COUNTY RIGHT-OF-WAY FUND (FUND 7065)		
Receipts from Mineral Sources:		
Oil Royalty	31,919.14	16,037.65
Gas Royalty	23,552.58	36,000.56
Shut-In Mineral Royalty	600.00	0.00
Receipts from Misc. Interest and Other Collections:		
Interest	526.08	429.55
TOTAL WASHINGTON COUNTY	56,597.80	52,467.76
WEBB COUNTY RIGHT-OF-WAY FUND (FUND 7066)		
Receipts from Mineral Sources:		
Oil Royalty	0.29	1.61
Gas Royalty	71.51	112.09
Mineral Lease Rental	0.00	(3,200.00)
Receipts from Misc. Interest and Other Collections:		
Interest	0.02	10.10
TOTAL WEBB COUNTY	71.82	(3,076.20)
WHARTON COUNTY RIGHT-OF-WAY FUND (FUND 7067)		
Receipts from Mineral Sources:		
Oil Royalty	3.45	4.29
Gas Royalty	479.03	873.05
Receipts from Misc. Interest and Other Collections:		
Interest	4.53	7.21
TOTAL WHARTON COUNTY	487.01	884.55
WHEELER COUNTY RIGHT-OF-WAY FUND (FUND 7068)		
Receipts from Mineral Sources:		
Oil Royalty	314.28	426.04
Gas Royalty	765.09	1,446.81
Receipts from Misc. Interest and Other Collections:		
Interest	12.46	8.77
TOTAL WHEELER COUNTY	1,091.83	1,881.62
WILSON COUNTY RIGHT-OF-WAY FUND (FUND 7069)		
Receipts from Mineral Sources:		
Oil Royalty	55,365.81	0.00
Gas Royalty	1,450.66	0.00
Receipts from Misc. Interest and Other Collections:		
Interest	450.92	44.09
TOTAL WILSON COUNTY	57,267.39	44.09
GOLIAD COUNTY RIGHT-OF-WAY FUND (FUND 7072)		
Receipts from Mineral Sources:		
Gas Royalty	5.55	1.75
Receipts from Misc. Interest and Other Collections:		
Interest	0.00	0.01
TOTAL GOLIAD COUNTY	5.55	1.76
RED RIVER COUNTY RIGHT-OF-WAY FUND (FUND 7073)		
Receipts from Mineral Sources:		
Oil Royalty	123.61	176.76
Receipts from Misc. Interest and Other Collections:		
Interest	0.77	1.57
TOTAL RED RIVER COUNTY	124.38	178.33

-to next page

UNAUDITED
Texas General Land Office and Veterans Land Board

SCHEDULE 4 (concluded)

SUMMARY OF TEXAS GENERAL LAND OFFICE
DEPOSITS TO OTHER AGENCIES AND COUNTIES - BY FUND AND AGENCY/COUNTY
For the Year Ended August 31, 2020
(With comparative memorandum totals for the year ended August 31, 2019)

	TOTALS	
	2020	2019
REEVES COUNTY RIGHT-OF-WAY FUND (FUND 7074)		
Receipts from Mineral Sources:		
Oil Royalty	2,359.64	4,688.66
Gas Royalty	2,830.69	7,170.74
Receipts from Misc. Interest and Other Collections:		
Interest	46.59	150.44
TOTAL REEVES COUNTY	5,236.92	12,009.84
SABINE COUNTY RIGHT-OF-WAY FUND (FUND 7075)		
Receipts from Mineral Sources:		
Gas Royalty	1.28	12.12
TOTAL SABINE COUNTY	1.28	12.12
SAN PATRICIO COUNTY RIGHT-OF-WAY FUND (FUND 7076)		
Receipts from Mineral Sources:		
Gas Royalty	876.91	0.00
Receipts from Misc. Interest and Other Collections:		
Interest	4.03	0.00
TOTAL SAN PATRICIO COUNTY	880.94	0.00
JASPER COUNTY RIGHT-OF-WAY FUND (FUND 7077)		
Receipts from Mineral Sources:		
Oil Royalty	17.05	0.00
Gas Royalty	0.16	0.00
TOTAL JASPER COUNTY	17.21	0.00
TOTAL COUNTY RIGHT-OF-WAY FUNDS*	3,886,883.32	6,527,463.92
TOTAL, ALL FUNDS (Schedule 5)	1,441,662,117.67	2,025,345,493.05

* HB2521, 84th Legislature, Regular Session amended Chapter 32 of the Natural Resources Code to deposit payments received from leases of the state's oil and natural gas mineral interests from land under county roads to the new state county road oil and gas fund. The General Land Office deposits lease payments to this fund and the Comptroller makes disbursements to the counties twice per fiscal year. This bill became effective fiscal 2018.

SCHEDULE 5**SUMMARY OF TEXAS GENERAL LAND OFFICE
DEPOSITS TO OTHER AGENCIES AND COUNTIES - BY SOURCE**

For the Year Ended August 31, 2020

(With comparative memorandum totals for the year ended August 31, 2019)

	TOTALS	
	2020	2019
RECEIPTS FROM MINERAL SOURCES	\$	\$
Oil Royalty	659,033,106.27	675,397,461.32
Gas Royalty	215,800,424.45	307,156,386.36
Mineral Lease Bonus	39,542,599.21	82,738,886.39
Mineral Lease Rental	2,020,299.11	16,295,507.18
Mining Lease Royalty	1,186,152.25	728,230.16
Mining Lease Rental and Bonus	220,300.57	481,953.33
Water Royalties	0.00	848,844.90
Hard Mineral Royalty	1,137.00	1,130.06
Shut-In Mineral Royalty	189,321.91	223,745.61
Prospect Permits	8,063.46	7,417.65
Outer Continental Shelf Judgment	1,615,650.57	2,038,608.91
Miscellaneous Rentals, Royalty, and Easements	1,403,000.29	1,427,092.13
TOTAL RECEIPTS FROM MINERAL SOURCES	921,020,055.09	1,087,345,264.00
RECEIPTS FROM REAL ASSET INVESTMENTS		
Internal Investment Receipts	60,903,704.90	34,613,522.62
External Investment Receipts	359,710,541.82	680,238,436.81
Other Land Sales	4,030,853.00	2,946,191.01
Sale of Building	0.00	0.00
TOTAL RECEIPTS FROM REAL ASSET INVESTMENTS	424,645,099.72	717,798,150.44
RECEIPTS FROM STATE ENERGY MARKETING PROGRAM		
SEMP Receipts for Third Party Purchases	49,221,494.94	60,008,095.56
State Power Program	3,113,533.97	4,968,156.43
TOTAL RECEIPTS FROM STATE ENERGY MARKETING PROGRAM	52,335,028.91	64,976,251.99
RECEIPTS FROM SURFACE RENTALS, EASEMENTS, AND DAMAGES		
Surface Damage Fees	6,108,667.86	8,280,412.88
Uplands Commercial	1,770,096.14	1,743,079.80
Coastal Commercial	1,620,852.73	1,400,371.09
Coastal S-T Lease Rental	361,603.88	364,166.01
Easements	1,999,722.33	4,400,221.17
Surface Lease Rental	3,502,487.02	6,200,932.67
Rental of Land	121,501.55	500,563.28
Solar Surface Lease Rental or Bonus	(42,539.35)	1,650.00
TOTAL RECEIPTS FROM SURFACE RENTALS, EASEMENTS, AND DAMAGES	15,442,392.16	22,891,396.90
RECEIPTS FROM MISC. INTEREST AND OTHER COLLECTIONS		
Interest	22,908,362.70	109,265,179.71
State of Texas Sales Tax	220.65	315.46
Land Office Administrative Fees	766,793.36	568,220.41
Miscellaneous	4,517,418.05	22,471,130.71
Specialty License Plates	26,747.03	29,583.43
TOTAL RECEIPTS FROM MISC. INTEREST AND OTHER COLLECTIONS	28,219,541.79	132,334,429.72
TOTAL, ALL SOURCES (Schedule 4)	1,441,662,117.67	2,025,345,493.05

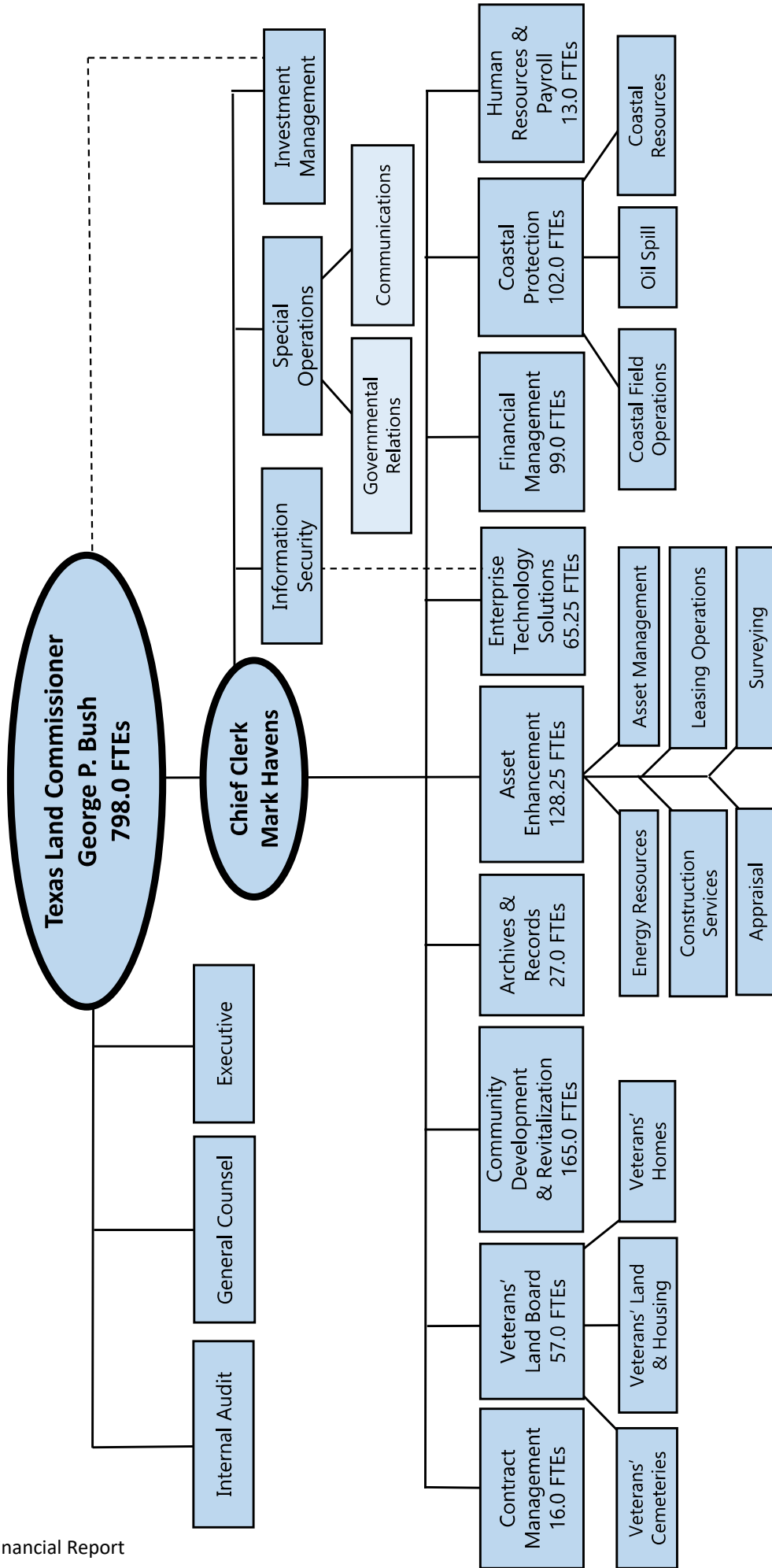
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ADDENDUM

UNAUDITED ANNUAL FINANCIAL REPORT
AUGUST 31, 2020



General Land Office and Veterans' Land Board



7/28/2020

ADDENDUM

AGENCY AND GENERAL COMMENTS

The Texas General Land Office (GLO) serves as the manager and/or trustee in varying duties and responsibilities of over 18.5 million acres of state-owned land consisting of the following:

Description of Acreage	Number of Acres
Freshwater Rivers (estimated)	1,000,000.00
Rivers, Creeks, Bayous (tidal)	9,892.57
Bays, Inlets, Coves	1,462,168.72
Gulf of Mexico	2,441,568.95
Surveyed School Lands	407,963.51
Lakes	67,934.33
Islands	18,051.84
Relinquishment Act Land (mineral interest)	6,322,279.99
Free Royalty Land	819,599.10
Surface Sold and All or Part Minerals Reserved	401,373.44
Surface Only Acquired	108,791.41
Surface Acquired and All or Part Minerals Acquired	144,933.91
Escheated Lands	75.77
Court Judgments	54,083.90
Gifts	19.73
Undivided Interest	155.92
State Real Property Inventory	1,249,349.24
Permanent University Fund	2,109,190.87
Excess (estimated)	1,747,600.00
Veterans' Land Board (land contracts)	110,036.91
Total (estimated)	18,475,070.11

Trust duties include administering state land sales and leases, issuing land patents and settling vacancy questions, protecting state land from uncompensated or unlawful use, ensuring that the conditions of mining claims, gas and oil leases, commercial and grazing surface leases, pipeline easements, and various other permits are fulfilled, and providing the public with information on the state's land resources.

The commissioner of the Texas General Land Office is a state official elected by the voters of Texas to a four-year term. The Honorable George P. Bush was elected in the November 2014 General Election for a term beginning January 1, 2015 through December 31, 2018. Commissioner Bush was re-elected in the November 2018 General Election for a second four-year term extending through December 31, 2022.

BOARDS & COMMISSIONS

The Land Commissioner is tasked with serving as a member and Chairman of numerous boards and commissions that are responsible for state lands, coastal resources, veterans benefits. A primary responsibility of the land commissioner is to assist in the supervision and management of the public lands of Texas as chairman of the various boards that are responsible for leasing state-owned lands. Two of the more important of these boards, in terms of land area managed and lease revenues collected, are the School Land Board and the Board for Lease of University Lands.

SCHOOL LAND BOARD

The School Land Board includes the land commissioner, who serves as chairman, and four citizen members who are appointed for a two-year term. All members are appointed by the governor. Citizen members received a \$30 per diem allowance and actual travel expenses (not exceeding the maximum meals and lodging rates based on the federal travel regulations issued by the Texas Comptroller of Public Accounts) while in the performance of their official duties during fiscal 2020. Expenses related to citizen members are paid from legislative appropriations granted to the Texas General Land Office. The citizen members serving at August 31, 2020 were:

Member	City	Term Expires
Gilbert Burciaga	Austin	08/29/2021
Michael Scott Rohrman	Dallas	08/29/2021
Michael A. Neill	Athens	08/29/2021
Todd A. Williams	Dallas	08/29/2021

Lands owned by state agencies and institutions, other than those previously maintained, are leased for mineral development through the School Land Board. Mineral lease sales conducted during fiscal 2020 by the Texas General Land Office for various state land boards and/or commissions are presented on page 150.

BOARD FOR LEASE OF UNIVERSITY LANDS

The Board for Lease of University Lands includes the land commissioner, who serves as chairman, two members of the Board of Regents of the University of Texas System, and one member of the Board of Regents of Texas A&M University. Regent members may not be employed by an oil or gas company either directly or indirectly.

Regent members are appointed by the chairman of the Board of Regents, with the consent of the entire board, to serve two-year terms on the Board for Lease. Regent members serving at August 31, 2020 were:

Member	City	Term Expires
Michael A Hernandez III	College Station	08/01/2021
Christina Melton Crain	Austin	02/01/2021
Jodie Lee Jiles	Austin	02/01/2021

**Mineral Lease Sales
Fiscal Year 2020**

Lease Sale Date ⁽¹⁾	Number of Leases Awarded	Total Acres Leased	Total of High Bids Accepted	Average Bonus per Acre
School Land Board				
Surveyed School Land				
<i>Oil and Gas</i>			\$	\$
October 10, 2019	44	18,721.74	19,718,325.70	1,053.23
Total	44	18,721.74	19,718,325.70	1,053.23

⁽¹⁾ No lease sales were held in January 2020, April 2020 or July 2020

BOARD FOR LEASE OF THE TEXAS PARKS AND WILDLIFE DEPARTMENT

The land commissioner serves as chairman of the Board for Lease of the Texas Parks and Wildlife Department. The Board for Lease of the Texas Parks and Wildlife Department consists of the land commissioner, the chairman of the Texas Parks and Wildlife Commission, and one citizen member appointed by the governor, with concurrence of the Senate, for a two-year term. The members of the Board at August 31, 2020 were:

<u>Member</u>	<u>City</u>	<u>Term Expires</u>
S. Reed Morian	Houston	02/01/2021
<i>Chairman, Texas Parks and Wildlife Commission</i>		
Clifton E. "Cliff" Bickerstaff	Amarillo	02/01/2021

BOARD FOR LEASE OF TEXAS DEPARTMENT OF CRIMINAL JUSTICE

The Board for Lease of Texas Department of Criminal Justice consists of the land commissioner, as chairman, the chairman of the Texas Board of Criminal Justice, and one citizen member appointed by the governor, with concurrence of the Senate, for a two-year term. The members of the Board at August 31, 2020 were:

<u>Member</u>	<u>City</u>	<u>Term Expires</u>
Dale Wainwright	Austin	02/01/2021
<i>Chairman, Texas Board of Criminal Justice</i>		
Erin E. Lunceford	Houston	09/01/2017

VETERANS' LAND BOARD

The Veterans' Land Board was created by constitutional amendment in 1946 to oversee the Veterans' Land Program. The land commissioner, who serves as chairman, along with two citizens appointed by the governor comprise the membership of this board. Citizen members are appointed to four-year terms, with one term expiring every even-numbered year. Citizen members were eligible to receive actual travel expenses while in the performance of their official duties during fiscal year 2020.

The citizen members serving on this board at August 31, 2020 were:

<u>Member</u>	<u>City</u>	<u>Term Expires</u>
Judson Scott	Bee Cave	12/29/2022
Grant Austin Moody	San Antonio	12/29/2024

Data applicable to land, housing and home improvement loan program activities of the Veterans' Land Board are presented on page 151.

ALTERNATIVE FUELS COUNCIL

The land commissioner, the three commissioners of the Railroad Commission of Texas, the chairman of the Texas Building and Procurement Commission and the chairman of the Texas Commission on Environmental Quality are members of the Alternative Fuels Council. The Alternative Fuels Council was created by Tex. Nat. Res. Code, Ch. 113, Subchapter J. The council is charged with coordinating a comprehensive program for state agencies in support of the use of environmentally beneficial alternative fuels. The council administers the alternative fuels programs to support and encourage the use of alternative fuels. Legal issues primarily relate to whether and how state or federal laws or regulations apply to council activities or grants.

TEXAS BOARD OF PROFESSIONAL ENGINEERS AND LAND SURVEYORS

The Texas Board of Professional Land Surveying merged operations with the Texas Board of Professional Engineering effective September 1, 2019, after passage of HB1523 of the 86th Legislative Session. The newly consolidated board, the Texas Board of Professional Engineers and Land Surveyors, is a ten-member board with the Land Commissioner being an ex-officio, non-voting member. Other board members are appointed by the governor with the advice and consent of the Senate and include three members from the public, five professional engineers, and one registered professional land surveyor or licensed state land surveyor. This board examines engineers-in-training, licenses professional engineers, examines surveyors-in-training, registers

professional land surveyors, and licenses state land surveyors. Additionally, the board establishes and enforces standards of conduct for those it registers and licenses. The board employs staff to carry out these duties.

COASTAL COORDINATION ADVISORY COMMITTEE

The 82nd legislature passed, and the Governor signed into law a bill implementing the transfer of duties from the Coastal Coordination Council to the Land Commissioner. The bill also required the Land Commissioner to establish a Coastal Coordination Advisory Committee (CCAC) by January 1, 2012. The Advisory Committee is comprised of representatives appointed by the eight state natural resource agencies and from public members appointed by the Land Commissioner. The terms of office for the CCAC members will align with the Coastal Zone Management Act (CZMA) Section 309 five-year assessment of the Coastal Management Program (CMP). The members of the CCAC at August 31, 2020 were:

<u>Member</u>	<u>Term Expires</u>
Melissa Porter, Chair <i>Director of Grant Programs, Coastal Resources Texas General Land Office</i>	
Judge Jeff Branick <i>Local Elected Official Appointee</i>	2023 ⁽¹⁾
Brad Lomax <i>Local Business Representative</i>	2023 ⁽¹⁾
Art Morris <i>Local Citizen Representative</i>	2023
Rob Ziehr <i>Agricultural Representative</i>	2025
Brian Koch <i>Texas State Soil and Water Conservation Board</i>	2023
Leslie Savage <i>Railroad Commission of Texas</i>	2023
Carla Guthrie Ph.D. <i>Texas Water Development Board</i>	2023
Pamela Plotkin <i>Texas Sea Grant College Program</i>	2023
Carlos Swonke <i>Texas Department of Transportation</i>	2023
Robin Riechers <i>Texas Parks and Wildlife Department</i>	2023
Steven Schar <i>Texas Commission on Environmental Quality</i>	2023

(1) Member will serve until a replacement is appointed.

LEGISLATIVE REDISTRICTING BOARD OF TEXAS

The land commissioner, the lieutenant governor, the speaker of the House of Representatives, the attorney general, and the comptroller of public accounts are members of the Legislative Redistricting Board of Texas. This board, under the authority granted in the Texas Constitution, Art. III, §28, is responsible for apportioning the state's senatorial and representative districts in the event that the Texas Legislature fails to do so at the first

regular legislative session following the publication of a United States decennial census. Pursuant to Tex. Const. Art. V, §7a (e), the board is responsible for reapportioning the state's judicial districts if the Texas Legislature or the Judicial Districts Board fails to do so.

TEXAS STATE VETERANS CEMETERY COMMITTEE

Established in 1991 by the 72nd Texas Legislature, the Texas State Veterans Cemetery Committee is responsible for the creation of guidelines to determine the location and size of veterans' cemeteries, and the eligibility for burial in a veterans' cemetery. The committee is composed of six members. The three-member board of the VLB is joined by the Chairman of the Texas Veterans Commission (TVC) and two representatives of the veterans' community, with the Land Commissioner serving as Chairman. The committee members at August 31, 2020 were:

<u>Member</u>	<u>City</u>	<u>Term Expires</u>
Eliseo (Al) Cantu	Corpus Christi	12/31/2019
Judson Scott	Bee Cave	12/29/2022
Grant Austin Moody	San Antonio	12/31/2020

NATURAL RESOURCE DAMAGE RESTORATION TRUST FUND

The Texas General Land Office is a trustee for natural resources under the Comprehensive Environmental Response, Compensation, and Liability Act, 42 USC §9607(f) and the Oil Pollution Act of 1990, 33 USC §2706(f). This designation authorizes the Texas General Land Office to assess damages for injuries to natural resources resulting from any spilling, leaking, dumping, leaching, or other disposal of oil and hazardous substances. Natural resource trustees are statutorily required to keep money collected as damages in separate accounts to be used only for the restoration of the injured natural resources. In some instances, administrative funding agreements are executed at the initiation of a natural resource damage assessment, and accounts are established that also allow the remuneration of administrative costs. The majority of the accounts have been set up for this purpose. The Texas General Land Office, together with two other state natural resource trustees – the Texas Parks and Wildlife Department and the Texas Commission on Environmental Quality – created a Natural Resource Damage Restoration Trust Fund in the State Treasury Safekeeping Trust Company to ensure that the funds are used only for designated purposes as required by federal law. Each account bears interest and is subject to minimal management fees. All three state trustee agencies must authorize the establishment of an individual account and approve any expenditure.

ORGANIZATIONAL HIGHLIGHTS AND PROGRAM AREA DESCRIPTIONS

The land commissioner, together with the deputy land commissioner and chief clerk, the general counsel, the agency

directors, and other key administrative personnel, supervises the activities of the Texas General Land Office and Veterans' Land Board. The following paragraphs, which are complemented by the organizational chart, highlight these areas and the overall organization of the agency.

Alamo

The General Land Office is responsible for the preservation, maintenance, and restoration of the Alamo Complex and its contents. GLO is responsible for the protection of the historical and architectural integrity of the exterior, interior, and grounds of the Alamo Complex. GLO is committed to turning the Shrine of Texas History into a world class destination worthy of the memory of the brave Texans who paid the ultimate price for the freedom of Texas. GLO has entered into a historic agreement with the Alamo Trust, Inc. and the City of San Antonio to create a Master Plan to develop the future of the Alamo. GLO contracted with Alamo Trust, Inc. to provide the daily oversight, operation, and management of the Alamo.

Alamo Trust, Inc. is a private, non-profit Texas corporation organized for charitable and educational purposes. It assists the General Land Office in the preservation, management, education, maintenance, operation, and restoration of the Alamo Complex. Welcome Wilson, Jr. serves as Chairman of the ATI Board of Directors. The members of the board are Welcome Wilson, Jr., Hope Andrade, Will Hurd, Jim Dannenbaum, Dr. Francisco Cigarroa and Hector Valle (non-voting).

Archives and Records

The Archives and Records program area is responsible for the permanent records (archives) of the Texas General Land Office, including the agency's map collection, the records management program, the Office of Veterans Records, and providing document scanning services for the agency. The program also preserves and provides access to the original land grants and land patent records issued by the various governments of Texas: The Crown of Spain, the Republic of Mexico, the Republic of Texas, and the State of Texas. The program also manages records of mineral lease files and files pertaining to the management of state-owned lands, with the Office of Veterans Records providing file storage and tracking of veterans' loan records.

In compliance with legislative and Texas State Library and Archives Commission requirements, Archives and Records administer the agency's records retention schedule to ensure access to the records of the various departments within GLO and publications produced by the GLO. Other duties include processing permanent correspondence for filming and indexing; preserving records and other materials documenting the history of the Texas General Land Office and Texas public lands; and assisting customers doing genealogical, historical, mineral and land title, and other types of research.

The program also provides high-quality copies and reproductions of documents and maps to customers, both internal and external. Document reproduction charges are used to conserve the 36.5 million documents and 45,000 maps, sketches and drawings housed at the GLO. The program's outreach efforts include an annual history symposium, several publications, an online blog, tours, exhibits, presentations to the public, a presence at various historical and genealogical conferences and a website to increase public awareness of the history of the Texas General Land Office and Texas public lands.

The Archives and Records program area operates a program entitled *Save Texas History!* that solicits private funding in the form of corporate, non-profit and individual donations, and map and document sales funds to help defray the expense of conserving and preserving these treasures for future generations of Texans. The *Save Texas History!* program has also developed an educational program for fourth and seventh grade students and teachers in Texas. Teachers now have access to specially designed lesson plans that focus on TEKS elements and utilize many archival documents and maps available at the GLO, as well as increased online access to these resources. Archives and Records, in collaboration with museums statewide, also has developed an ambitious exhibits program that takes advantage of the millions of documents and maps housed at the GLO, to better educate Texans about these treasures.

During the past year, the Archives and Records program area also continued its map and document digitization program. This project provides the agency with a comprehensive means of digitally preserving the historic maps and documents housed in the Texas General Land Office vaults. Up to this point, the digitization program has scanned the entire Original Land Grant Files, representing more than 3 million digital images, which are available in an online searchable database. . These maps and documents, once digitized, are placed on the agency's website for the public to view and research. Digitization of the records provides much wider access to these historically significant collections in our care, including to persons who do not have the time or money to travel to Austin to view these records in person, as well as better preserving the originals in our care through less use. In addition, the Archives and Records program provides this digital preservation service at reasonable cost to other state entities, as well as participating in national and state-level grants involving the digitization of cultural heritage objects.

Asset Enhancement

The Asset Enhancement program area consists of the following divisions: Asset Management, Appraisal Services, Construction Services, Energy Resources, Leasing Operations, and Surveying Services.

ASSET MANAGEMENT

The Asset Management program area is comprised of three divisions: Portfolio Management, Inventory and Sovereign Disposition Management, and Commercial Leasing.

Portfolio Management, under the direction and oversight of the School Land Board, acquires real property for the purposes of value appreciation and ongoing revenue production through lease revenues for the Permanent School Fund (PSF). This area identifies potential targets for both acquisition and disposition of investment properties, performs due diligence on the properties, develops and executes asset management and disposition plans, and negotiates the terms of the transaction.

Inventory and Sovereign Disposition Management is responsible for a number of real estate and related activities associated with statutory requirements and responsibilities. Under §31.153-§31.159, Texas Natural Resources Code (TNRC), this area is responsible for reviewing and recommending retention or disposition of lands currently in the possession of other state agencies, particularly in reference to under-utilization. Relating to this activity, the area maintains an inventory of other agency land holdings. Also within this activity, the agency conducts a continuous effort to dispose of unsold rural lands dedicated to the Permanent School Fund by sealed bid and direct sale.

Archeological evaluations of proposed land for sale in accordance with the Texas Antiquities Code are either performed by contract personnel or are routed to the Texas Historical Commission for comprehensive review prior to the sale.

Commercial Leasing is responsible for the negotiation and issuance of instruments of authorization for the use of state-owned submerged land along the Texas coast. They analyze the revenue prospects of proposed uses and coordinate the assessment of environmental impacts with technical staff. Commercial Leasing also issues permits, easements, and leases on all state-owned coastal lands, including submerged lands in bays and within tidewater limits of coastal lakes, bayous, inlets, streams, estuaries, rivers, and creeks.

APPRAISAL SERVICES

The Appraisal Division's primary function is to provide property values, market studies and feasibility analysis to the Asset Enhancement program area, as well as to the School Land Board, so that informed decisions may be made on behalf of the Permanent School Fund's portfolio. The Appraisal Division is also charged with the responsibility of appraising state-owned property to ensure it is being utilized to its maximum potential. This service incorporates a highest and best use analysis that addresses property utilization in the most economical way.

Under the Veterans' Land Board programs, appraisers assisted thousands of Texas veterans applying for loans by evaluating the property involved in their land, housing, or home improvement loans.

Meeting the challenge through teamwork and coordination, Appraisal had another busy year, producing 3,151 reports on properties having a total market value of over \$1.01 billion.

CONSTRUCTION SERVICES

The Construction Services Division is responsible for managing all construction projects for the agency, including the-planning, construction, maintenance, furniture and finishes for ten (10) Texas State Veterans Homes, and four (4) Texas State Veterans Cemeteries, coastal construction and renovation projects, unauthorized structure removal along the Texas Gulf Coast, as well as the maintenance and construction projects related to the Texas Alamo, plus agency space management, lease space build outs and reconfigurations.

ENERGY RESOURCES

Energy Resources is responsible for five broad functions related to state-owned minerals: leasing mineral lands; monitoring and processing royalties and lease payments; reviewing information from companies that produce the minerals from state-owned lands to ensure proper prices and volumes have been reported; marketing natural gas for the state's take in-kind program; and converting those volumes of take in-kind royalties and "third-party" oil and gas produced from state leases necessary to operate the State Power Program which sells electricity to retail public customers. The program area consists of seven sections: Minerals & Royalty State Energy Marketing, Minerals Audit, Minerals Review, Energy Inspections, Energy Geoscience and Water Resources.

The Minerals & Royalty section issues geophysical permits for mineral exploration of state acreage; evaluates state lands for mineral potential and value; recommends terms and conditions for the leasing of state-owned minerals; ensures lease compliance with state laws and agency policy; conducts oil, gas, and other mineral lease sales for the Permanent School Fund (PSF) and other state agencies; reviews the relationships between lessees and surface owners of Relinquishment Act leases; evaluates Relinquishment Act and highway right-of-way tracts for lease; reviews applications for pooling and makes recommendations to the School Land Board and other boards for lease for final consideration; processes lease terminations; provides research and mapping expertise to the general public and agency program areas; and processes non-royalty lease payments such as rental and shut-in payments.

During fiscal 2019, the General Land Office received over \$79 million in oil and gas lease bonus revenue for the PSF. Over \$15 million in delay rentals were also deposited in fiscal 2019. Bonus is the cash consideration paid by the lessee for execution of an oil and gas lease by the state. Delay rentals are due annually during the primary term of a lease if no well is producing in paying quantities. Like in recent years, much of this revenue was derived from leasing acreage in the developing Wolfcamp/Bone Spring

play area in West Texas. A new play, which includes a significant amount of PSF land, in West Texas but targeting the Woodford and Barnett Shale formations, as well as the Wolfcamp and Bone Spring, is currently being developed in Southern Reeves County in the Alpine High.

The State Energy Marketing Program (SEMP) markets and sells electricity and natural gas to its public customers as defined by the Legislature. Oil and gas royalty revenue for the Permanent School Fund is enhanced as a result of the marketing program in addition to providing utility savings for public customers that purchase electricity and natural gas from the Texas General Land Office.

SEMP can purchase, transport, nominate, schedule, balance and take in-kind oil and gas production for delivery into the State Power Program or to customers. Much of the state lands managed and administered by the Texas General Land Office in certain areas are rich in oil and gas.

The State Power Program was authorized with the passage of Senate Bill 7 and was effective September 1, 1999 when the electric utility market in Texas was restructured. HB 2263 canceled the program. Effective May 17, 2019, the GLO can only extend existing contracts through December 31, 2023. Accordingly, as of the effective date of the bill, GLO ceased writing new power contracts.

The Minerals Audit Section conducts field audits to determine if oil and natural gas royalties have been properly paid. The Minerals Review Section performs account volume reconciliations to assess the accuracy of the royalty computations and payments being reported to the agency.

The Energy Inspection Section physically inspects oil and gas activity on PSF land to monitor production facilities and ensure proper metering of oil and natural gas production on state-owned minerals. The Energy Geoscience Section reviews oil and natural gas commingling issues and offset obligations; performs engineering and geological reviews and issues hard mineral leases and prospect permits.

The Water Resources Section leases PSF lands to generate revenue to the state. If the project is developed, the state collects royalty payments based on the amount of water sold from the facility.

LEASING OPERATIONS

The Leasing Operation Division has responsibility for approximately 661,622 acres of Permanent School Fund land in current inventory located throughout the state. The division has two areas of emphasis consisting of surface use management and right-of-way easements. Efforts in support of these areas are carried out by eleven staff members in the Austin office and in an office located in Alpine, Texas.

The Surface Management Team issues surface leases for grazing, hunting, crop production, recreation, timber management, and some commercial purposes pursuant to Texas Natural Resources Code §51.011, 51.121 and 51.292. Currently there are 267 active upland surface leases and 754 Special Documents authorizing a variety of uses on approximately 6104,162 acres of leased Permanent School Fund land. The Surface Management Team performed 177 inspections in fiscal year 2020.

The Right of Way Team issues easements on both coastal submerged lands and state-owned uplands for projects which require a right-of-way on, across, under, or over state-owned lands, pursuant to Texas Natural Resource Code §51.291. These easement contracts cover activities, such as oil and gas pipelines, subsurface easements, water lines, power lines, communication lines, roads, and certain other structures and uses, for the purposes specified in the contract. Currently there are 4,420 active easements on upland and submerged state-owned lands.

Leasing Operations is responsible for the overall management of activities involving the surface use of state-owned upland property. Division staffs provide field assessments on proposed and existing projects, monitor the use of state-owned land and negotiate and issue instruments of authorization for the use of state-owned land. Leasing Operations staff members serve the public in a professional and timely manner while maintaining a land leasing and inspection process which protects the state's land interests, maximizes revenue from uses of state property and preserves natural resources for future generations of Texans.

This division also manages renewable energy leases and currently has one wind energy lease in Starr County and one solar lease in Reeves County, both of which are in the production phase of operation. Both leases generate revenue to the PSF through annual royalty payments based on the amount of power generated from each facility.

SURVEYING SERVICES

The Surveying Division supports all facets of Texas General Land Office activity related to the boundaries of real property. These activities include identifying the location of state-owned land, minerals, and encumbrances. This is accomplished by providing professional surveying services in the field as necessary and expertise in surveying and survey-related matters in-house daily.

The primary focus of Surveying is to define the boundaries of Permanent School Fund lands, county boundaries, and occasionally, the boundaries of the state. These boundaries include, but are not limited to, the boundaries of approximately 687,000 acres of Permanent School Fund uplands; an estimated 200,000 miles of boundary between private and state ownership along navigable streams; and between private uplands and state-owned submerged lands along the Texas Gulf Coast.

The licensed professional staff routinely provides consultations and advice for a wide range of surveying related issues facing the General Land Office. The lands of the Permanent School Fund managed by the GLO face many contests and challenges. Surveying staff provides knowledge of the historic and current laws and practices affecting the boundaries of Permanent School Fund lands and assists in the decision-making processes at all administration levels of the agency.

The Surveying staff is instrumental in addressing boundary questions regarding original land survey critical to the issuance of patents and deeds of acquittance and processing vacancy applications; for boundaries of Veterans' Land Board tracts; and for boundary determinations essential to all other revenue producing Texas General Land Office programs. These programs include mineral and surface leasing, easements, other permitting, and acquisition/disposition of Permanent School Fund land. Surveying staff also interprets archival survey documents and maps for in-house and outside customers.

Additionally, the Surveying staff continually updates the Texas General Land Office county maps and archives files, by adding documents and endorsements as transactions warrant, prepares working sketches upon request for internal and external customers, and files survey plats and other related documents in the map room collections of the archives.

Coastal Protection

The Coastal Protection program area consists of the Coastal Resources division and the Oil Spill division.

COASTAL RESOURCES

Coastal Resources, a division of Coastal Protection, is responsible several initiatives designed to foster sound stewardship of natural resources and promote economic growth along the Texas coast. Coastal Resources is comprised of Grant Programs, which includes the Texas Coastal Management Program (CMP) and the Coastal Erosion Planning (CEPRA) and Response Act Program, Natural Resource Damage Assessment (NRDA), Texas Beach Watch, Texas Coastal Ocean Observation Network, Adopt-A-Beach, Texas Coastal Ocean Observation Network (TCOON), and the Beach Access and Dune Protection Program.

Grant Programs administers the Coastal Erosion Planning and Response Act (CEPRA) Program which was created by the 76th Texas Legislature. This program represents the first coastal erosion program in Texas and entails a coordinated effort of state, federal, and local entities to conduct erosion response projects and related studies for the 367 miles of Texas Gulf beaches and the more than 3,300 miles of bay shoreline. Texas beaches suffer from the highest erosion rates in the country. The Texas Legislature has appropriated approximately \$ 156 million for the CEPRA program through fiscal 2021. The selected projects and studies, when leveraged with other federal, state, local, and private funds, have made the total budget for the program in

excess of \$ 602 million. Erosion response projects include beach nourishment, dune restoration, shoreline protection, marsh restoration, structure and debris removal, demonstration projects and supporting studies on shoreline change, sand source permitting, and economic/natural resource benefits.

Grant Programs administers the Texas Coastal Management Program (CMP), which was approved by the National Oceanic and Atmospheric Administration (NOAA) in January 1997. The program is designed to coordinate the stewardship of Texas' abundant coastal resources. Through the CMP and its Coastal Coordination Advisory Committee, the program has established a set of goals and policies for the management of coastal natural resources. The CMP goals and policies are implemented through the consistency review of federal agency permitting, the review of federal agency activities and funding decisions, and the review of certain listed state agency actions. The program also implements the CMP goals and policies through the coordination of state agency activities, and through funding under the CMP grant program, of local projects to preserve, protect, enhance, or restore coastal natural resources.

In the 24th cycle of the Coastal Management Program (CMP) grants program, the Texas General Land Office (GLO) was awarded approximately \$ 2.86 million to administer the CMP program and provide grant funding to eligible sub-recipients for authorized CMP projects along the coast. Using these funds, 18 projects were awarded. As program administrator for the State of Texas, the GLO is updating Chapters 506 of the Texas Administrative Code to remove references to the abolished Coastal Coordination Council and reflect the transfer of the Council's functions to the GLO and the Land Commissioner, streamline the rules by citing the federal regulations where the rules and federal regulations are identical and adopt a longer federal consistency review timeframe for federal agency actions and activities.

Grant Programs administers the state's portion of GOMESA authorized under the Gulf of Mexico Energy Security Act (GOMESA). Pub. Law 109-432. GOMESA was enacted in 2006 and amended in 2017, and requires the Bureau of Ocean Energy Management (BOEM,) formerly known as Mineral Management Service, to disperse a certain percentage of all qualified Outer Continental Shelf (OCS) revenues, including bonus bids, rentals and production royalty to four Gulf producing states (Alabama, Louisiana, Mississippi, Texas), their coastal political subdivisions (CPS) and the Land & Water Conservation Fund (LWCF) for coastal restoration projects. The amount distributed to each state and political subdivision is based on the sections of lease tracks that open each year and the distance from those sections to the states and political subdivisions. Since GOMESA funding is dependent on oil prices and lease sales, it is unknown exactly how much funding each state will receive each year. BOEM does a calculation of the previous year's OCS revenue for GOMESA funding and then deposits those funds into state treasuries the following April without prior notice or estimations of the deposit amounts.

The goal of GOMESA funding is to conserve, restore, enhance, and protect the diversity, quality, quantity, functions, and values of the state's coastal natural resources. A primary focus for GLO will be to protect coastal natural resources while facilitating multiple human uses of coastal resources.

GLO's priority for the expenditures of GOMESA funds include:

- Restoring and enhancing coastal natural resources;
- Providing hurricane protection for coastal public resources;
- Improving water quality;
- Enhancing the balance between the protection of coastal natural resources and public use of those resources;
- Improving environmental management; and
- Mitigating coastal erosion and stabilizing shorelines.

Grant Programs also oversees the Coastal Preserve program, the conservation of designated state-owned, environmentally sensitive estuarine areas on the Texas coast. This program also manages a database on resource management codes available to potential users of coastal public land as guidance for development.

Coastal Resources also houses the hazard mitigation program that works with the Texas Division of Emergency Management's State Hazard Mitigation Team to implement state and federal coastal hazard mitigation efforts, including Federal Emergency Management Agency (FEMA) grants.

The Tide Gauge Program began in 1989 at Texas A&M University-Corpus Christi. The first measurement systems installed were intended to provide real-time water-level and meteorological information to the City of Corpus Christi to assist local officials with preparations for incoming hurricanes and tropical storms. From this initial work, other state agencies, including the Texas General Land Office and the Texas Water Development Board, began contracting with Texas A&M University-Corpus Christi to provide similar information for other areas along the Texas coast. Following a Texas Legislative mandate in 1991, this network of water level gauges became the Texas Coastal Ocean Observation Network (TCOON). As a result, TCOON expanded from initially three stations in Corpus Christi in 1989 to over 40 stations by 1992; currently there are 32 operating stations along the coast.

Coastal Resources administers the Texas Beach Watch program. The Beaches Environmental Assessment and Coastal Health (BEACH) Act was passed by Congress in 2000 to protect public health in coastal recreational waters. The Beach Act requires that states, in cooperation with EPA, develop and implement a program to monitor coastal recreation waters adjacent to beaches used by the public and to notify the public if water quality standards for pathogens and pathogen indicators are exceeded. In July 2001, the Office of the Governor appointed the Texas

General Land Office as the lead state agency responsible for implementing the provisions of the BEACH Act because of its existing Beach Watch Program, which started in the late 1990s as a water-quality monitoring program funded by the Coastal Management Program. To date, the Texas Beach Watch Program has been awarded \$7.5 million in federal EPA funding to implement the program and meet the requirements of the BEACH Act.

The Texas Beach Watch Program works with local governments to issue advisories, warning the public not to swim in affected waters. Water samples are collected from 164 stations at 61 recreational beaches along the Texas coast in Aransas, Brazoria, Cameron, Galveston, Harris, Jefferson, Matagorda, Nueces, and San Patricio counties. Water samples are collected weekly during the peak beach season, which runs from May through September, and every two weeks during the rest of the year. The one exception occurs in March when weekly sampling is conducted to coincide with spring break at Texas Beach Watch monitored gulf beaches.

The Beach Access and Dune Protection Program fosters sound stewardship of Texas coastal natural resources. This program has the responsibility of balancing the preservation and enhancement of public access to Gulf Coast beaches with protecting vegetated sand dunes that serve as the natural defense line against storms. The program works with local governments to implement the Texas Open Beaches Act and Texas Dune Protection Act and has enforcement authority over these statutes as well as Title 31, Chapter 15 of the Texas Administrative Code. Through permitting oversight on coastal construction activities proposed within 1,000 feet of mean high tide, the program assists local governments and coastal property owners in managing the Texas coast so that both the private landowners' interests and the public's right of access, and use of, the public beaches are protected.

The Beach Maintenance Reimbursement Fund provides partial reimbursements to eligible coastal communities for expenses incurred in maintaining clean, safe and healthy beaches. The Beach User Fee program allows for local governments to collect fees in exchange for providing services to beach users in general.

The Texas Adopt-A-Beach Program is an all-volunteer effort started by the Texas General Land Office (GLO) in 1986 to rid the state's publicly owned beaches of trash and raise public awareness of the problems associated with marine debris. Twice each year - in the fall and spring, volunteers check in at sites along the coast to pick up trash. Two annual regional winter cleanups also take place in mid-February at South Padre Island and the Coastal Bend.

The Adopt-A-Beach Program also administers the Beach Adopter Program, which invites interested individuals and volunteer groups to adopt a section of beach in their local community. Each

adopter agrees to clean their stretch of beach at least three times a year for a two-year commitment.

The success of the program, both as a beach cleanup effort and as an educational and public awareness campaign, has won it national recognition and has prompted the development of similar programs in all 55 U.S. states and territories and more than 100 foreign countries. Since the program began, more than 540,000 volunteers have removed 9,700 tons of trash from Texas beaches.

The Coastal Resources division directs the preparation of required program reports, studies, performance measures and plans, such as Legislative Budget Board reports, legislative reports, NOAA reports and other reports to educate the public about the success of Coastal Resources programs. The division is also responsible for the management of records for the Coastal Resources division. This involves ensuring all files are scanned and complete for proper storage, retention and for future use.

The GLO is one of three Texas state agencies designated by the governor as natural resources trustees under The Oil Pollution Act of 1990, 33 U.S.C. 2701-2720 (OPA), Comprehensive Environmental Response Compensation, and Liability Act, 42 U.S.C. 9622 (CERCLA), and Texas Oil Spill Prevention and Response Act of 1991, Tex. Nat. Res. Code, Chap. 40-(OSPR), to perform Natural Resource Damage Assessment (NRDA). The other Texas trustee agencies are Texas Parks and Wildlife Department (TPWD) and Texas Commission on Environmental Quality (TCEQ). The federal trustees for Texas are usually U.S. Fish & Wildlife Service, a division of the Department of the Interior, and the National Oceanic and Atmospheric Administration, a division of the Department of Commerce.

NRDA implementation involves the legal and technical processes necessary to pursue compensation for and restoration of injuries to natural resources caused by the responsible party's release of oil or hazardous substances into the environment. Before and during an active spill or release, the trustees identify and prioritize natural resources at risk to help ensure their protection during the emergency response. Trustees provide technical assistance to responders, including information on appropriate response techniques in environmentally sensitive areas and techniques of wildlife recovery and rehabilitation.

Following a spill or release, there are three main components to the NRDA process:

- **Pre-assessment:** Trustees determine whether injury to natural resources has occurred. This work includes collecting time sensitive data, reviewing scientific literature about the type of oil spilled or the hazardous substances released, and determining the types of injuries that may have occurred.

- **Injury Assessment and Planning:** Trustees perform scientific and economic studies to assess and quantify the injuries and the loss of natural resource services. Trustees develop a restoration plan to identify restoration projects that will offset the injury.
- **Restoration:** Trustees work with the Responsible Party (RP) and the public to select and implement restoration projects. Examples of restoration include acquiring land and protecting its natural state, improving fishing access sites, and restoring lost habitat. The RP pays the full cost of the response, assessment, and restoration.

Trustees encourage the responsible parties to work cooperatively and jointly with them throughout the pre-assessment, assessment and planning, and restoration phases of the NRDA process. This reduces assessment costs and increases restoration value.

Since the NRDA program's inception, natural resource restoration projects valued at more than \$ 200 million have been implemented or are planned on behalf of the public as a result of NRDA settlements for the restoration of injured natural resources.

Deepwater Horizon Spill Civil Penalties. In addition to other active cases, the GLO's NRDA staff has been working with state and federal trustees since 2010 on the largest NRDA case in history – the Deepwater Horizon oil spill (DWH). On April 4, 2015, the federal court approved the settlement with BP and entered a consent decree resolving the civil claims associated with the spill for more than \$20 billion. The settlement includes claims under the Clean Water Act, Natural Resource Damages under Oil Pollution Act, and economic damages sought by the impacted states, including Texas.

The trustees are currently implementing 24 restoration projects in Texas to compensate for lost recreational use of natural resources, water quality injury to coastal habitat injury to sea turtles, and injury to birds.

Deepwater Horizon Spill Criminal Penalties. The U.S. Department of Justice entered into criminal plea bargain agreements with DWH RPs, BP, Halliburton and Transocean. The RP agreed to pay \$ 2.45 billion in criminal penalties. The National Fish and Wildlife Foundation (NFWF), a non-governmental grant making organization, was charged with the distribution and spending of the criminal fines through grants within each of the five affected Gulf states. NFWF has set up the Gulf Environmental Benefit Fund (GEBF) to receive the criminal penalties and provide grant funding for the states.

Under the terms of the BP and Transocean plea agreements, Texas will receive around \$203 million over five years. NFWF is consulting extensively with NRDA staff at GLO, TPWD, and TCEQ to develop projects that meet the settlement criteria. To date,

NFWF has awarded over \$155 million to fund 48 projects in Texas. The GLO implementing, over \$26 million in projects which include marsh restoration and breakwaters in Galveston Island State Park Phases I-III, the Salt Bayou Watershed Restoration Project Phases I-II, and engineering for an erosion protection project for near Carancahua Bay a sub-bay of Matagorda Bay. NFWF is currently working with the NRDA staff from GLO, TPWD and TCEQ on requests to fund an additional \$40 million in coastal restoration projects in Texas.

COASTAL FIELD OPERATIONS

The Upper and Lower Coast Field Offices work directly with Commercial Leasing and Leasing Operations, and together, during fiscal 2020, managed over 9,077 coastal instruments. The Upper Coast Field Office is in La Porte, Texas and is geographically responsible for all activities north of the Colorado River. The Lower Coast Field Office is in Corpus Christi, Texas, and is geographically responsible for all activities from the Colorado River south. These offices are responsible for providing field assessments of proposed and existing coastal projects along the Texas coast. The offices work directly with the public on the planning and design of proposed structures that require authorization from the Texas General Land Office and the School Land Board. Field biologists work diligently to ensure compliance with state guidelines through aggressive field activities involving monitoring coastal areas, educational initiatives, documenting findings, and coordinating with various resource agencies. Field office biologists completed 818 inspections in fiscal 2020 covering lands in bay areas, tidally influenced rivers, and submerged tracts along the Gulf of Mexico. Both field offices provide services to Coastal Leasing, as well as to other program areas within the agency, including Coastal Resources, Asset Management, Legal Services, and Energy Resources.

OIL SPILL PREVENTION AND RESPONSE

The Oil Spill Prevention and Response Act of 1991 (OSPRA) designated the Texas General Land Office as the lead state agency for the prevention of and response to oil spills in coastal waters. The program is funded by a one – one-third-cent-per-barrel fee on crude oil loaded or off-loaded in Texas ports by vessel. Revenue is deposited in the Coastal Protection Fund, which is capped at \$20 million.

Mounting an efficient and effective response is a primary objective of the Oil Spill Prevention and Response program area. Five regional offices respond to over 587 spill notifications reported to the Texas General Land Office annually. Located in Nederland, LaPorte, Port Lavaca, Corpus Christi, and Brownsville, personnel at these offices respond to spills 24 hours a day, 7 days a week, 365 days a year. Notification requirements are met by calling a toll-free number. In addition to their "firehouse" response capability, regional staff conducts audits, inspections, and harbor patrols by boat and vehicle; maintain response equipment; participate in oil spill response exercises with marine

and shore-based industries; and provide public education services about oil spill prevention and response.

OSPRA also authorizes the Texas General Land Office to procure spill response equipment—boom, skimmers, boats, trucks, pumps, wildlife rehabilitation equipment, communications, mobile command posts, and associated support equipment. All equipment is maintained by field personnel in a ready condition and is available to supplement spill contractor and industry-owned equipment, as well as for emergency response in the event of a natural disaster. In FY 20, the division replaced a refitted horse trailer with a state-of-the-art command post and communications trailer for agency use during major spills and weather events.

OSPRA requires all facilities that handle oil and pose a threat to coastal waters to submit contingency plan information to the Texas General Land Office for review and certification. Approximately 531 facilities currently require this certification. Their plans, which are routinely audited by field personnel, detail spill response strategies, identify sensitive natural resources, and list trained personnel and inventories of spill response equipment. The law also requires that certain classes of vessels that sail in state waters submit contingency plans. The program maintains a database containing over 3,749 company accounts representing over 28,290 vessels.

The prevention of spills is also a primary objective of the Oil Spill Prevention and Response program staff. Regional personnel are on the water or in vehicles daily patrolling for discharges and monitoring the loading and offloading of petroleum products at refineries. Oil Spill's Small Spill Education Program provides information to vessel owners and operators about the environmental damage caused by small chronic spills, and to provide practical prevention measures. The Small Spill Education Program supports *Operation Scupper Plug* to furnish fuel docks and fishermen with sorbent materials to prevent the accidental discharge of diesel and gasoline during fueling operations.

The Oil Spill program supports fixed and portable bilge reclamation facilities for public use. Located in Aransas Pass, Corpus Christi, Fulton, Palacios, Port Aransas, Port Mansfield, Rockport and Seadrift, the bilge facilities provide a no-cost option for vessel owners to offload oily bilge water. The contaminated water and oil are separated, the water is processed, and oil is then recycled. To date, the facilities have cleaned millions of gallons of contaminated water and generated over one million gallons of used engine oil for use by a waste oil recycling company.

To promote a safer, cleaner marine environment, the Oil Spill Program supports two vessel removal initiatives to rid the coast of pollution, fuel and navigational hazards. The Derelict Vessel Removal Program documents, determines ownership and removes derelict vessels for salvage and destruction as funding resources are available. Since 2005, the DVR program has

documented 1,517 derelict vessels coast-wide and assisted with removal of 1,313 vessels. Although the number fluctuates as vessels are added and removed, currently, 151 vessels remain. Additionally, with the May 1, 2020 implementation of a new Oil Spill data management system and a \$2 million appropriation for vessel removal, every vessel in the derelict vessel database was evaluated and confirmed to meet OSPRA mandated criteria for inclusion in the program. The evaluation revealed some entries not within TGLO jurisdiction for removal, including boats with a historical designation and vessels that did not meet specific criteria to be considered abandoned and eligible for removal.

The Oil Spill Vessel Turn-In Program (VTIP) eliminates potential pollution sources from Texas coastal areas by providing public opportunities to relinquish derelict vessels at no cost. The VTIP initiative creates partnerships with other public entities for fuel removal, salvage and destruction of derelict vessels and, to date, has facilitated the removal of 795 boats totaling 13,086.5 linear feet. Based on an estimated removal cost of \$250 per linear foot, 18 GLO-sponsored VTIP events have saved taxpayers more than 3.2 million dollars.

Office of Communications

The Office of Communications primarily handles information requests from the news media and serves as the agency's main voice to the world. Led by the director of communications, the division is comprised of a press team, publications team, media services team and public outreach staff. To accomplish these responsibilities, the Office of Communications provides accurate information about the Texas General Land Office and Veterans' Land Board in a timely and helpful manner, and provides a single, consistent voice for the Texas General Land Office.

The Office of Communications writes and disseminates news releases, advisories, articles and other informational pieces about the Texas General Land Office. The division also arranges public events to publicize agency activities and programs, provides briefing materials for the land commissioner, educates Texans on the benefits and programs offered by the Texas General Land Office, and keeps Texans informed of response efforts in the event of major oil spills.

Additional duties include designing the agency's publications and web site, creating high-quality video products to highlight agency programs and events, and videotaping agency events and making copies available to the news media as another means of spreading the agency's message. The division also takes photographs at agency events and provides publications regarding agency programs, initiatives and benefits.

Community Development and Revitalization

The General Land Office Community Development and Revitalization (GLO-CDR) program operates both short and long-term disaster recovery programs directly and serves as a pass-

through to local governmental entities to rebuild and restore Texas communities impacted by disasters. This effort includes drafting plans and providing funds for housing (single and multi-family, down-payment assistance, buyouts and homeowner reimbursement) and infrastructure (drainage activities, roads, bridges, and other public facilities) as well as long-term planning and economic development. Current examples of CDR's work are the \$3.1 billion Hurricanes Dolly and Ike CDBG-DR grant, the \$36 million 2011 CDBG-DR Wildfire grant, the \$313.4 million in recovery funding for 2015 and 2016 flooding statewide, and the \$5.7 billion Hurricane Harvey CDBG-DR grant. Approximately \$4.3 billion in CDBG-MIT mitigation funds have been awarded to the General Land Office in relation to Hurricane Harvey as well as 2015 and 2016 Floods. The Federal Register notice providing for the use of the CDBG-MIT mitigation funds was published on August 30, 2019. The mitigation funds will be made available to the General Land Office after HUD approval of the action plan during fiscal year 2021.

The GLO-CDR, in conjunction with HUD, routinely participates in multi-state forums to exchange ideas and lessons learned to facilitate more efficient and economical responses nationwide. The program's focus will continue to be development of long-term initiatives and capacity that mitigate impacted areas for a stronger Texas in advance of the next natural disaster we will face. The GLO-CDR program consists of three divisions: Operations, Monitoring and Quality Assurance, and Integration.

The Operations division is comprised of two departments: Grant Management, and Housing. This division manages the business operations of the program and serves as the liaison for public, governmental, and internal customers. This includes the creation of all program reports for the GLO Commissioner, GLO executives, the Governor's office, legislators and other external parties. Their work includes project management support, programmatic technical assistance, oversight, and monitoring of all aspects of grant management from grantee application, to implementation, and all the way to closeout. The responsibilities of the Housing team include management of construction and inspections, Section 3 compliance, and Fair Housing Activity Statement program compliance.

The Monitoring and Quality Assurance division is responsible for performing program risk assessments, developing annual program monitoring plans, and conducting audits of subrecipients awarded FEMA and CDBG-DR funds for compliance with the laws, regulations, and grant agreements in place.

The Integration division is comprised of two departments: Program Integration and Research, Training, and Development. The Program Integration team facilitates and supports CDR's information technology projects and handles HUD DRGR reporting. They are also responsible for identifying programmatic areas where process improvements can enhance the business process of the CDR program. The Research, Training, and

Developments team designs and oversees planning studies to collect, analyze, and communicate disaster-related data to assist decision makers to better protect Texans from future disasters..

Contract Management Division

The Contract Management Division (CMD) provides support throughout the agency for an ongoing average of nearly 1,500 active contracts and work orders for GLO-commodities, services, and grants. Combining agency policies with the State of Texas Procurement and Contract Management Guide, CMD works to ensure compliance with all statutes, rules, and policies related to contract development and management.

Enterprise Technology Solutions

Enterprise Technology Solutions (ETS) is responsible for all aspects of information technology strategic planning and operations for the GLO. The program supports the GLO by providing tools and services that enhance and harmonize the people, processes, and technologies that drive agency business. ETS serves the agency in three primary roles:

- Technology Consultant - Understand the mission, goals, and priorities of each agency program so that ETS can offer options and advice regarding technology and process changes that support and improve mission performance.
- Guardian - Establish policies and procedures regarding the purchase, implementation, and use of technology resources in accordance with Legislation, Administrative Code, and Agency Rules.
- Service Provider - Provide computing devices, data center services, and other key technology data, software, and GIS services when and where they are needed.

ETS Divisions and Teams include:

The Office of the CIO consists of the Technology Project Management Office (PMO), the Enterprise Architect and Technology Business Services (TBS). TBS handles all technology related purchases for the agency, and manages the budgets and administrative processes for ETS and Office of Information Security. The PMO oversees the agency technology project portfolio, the technology governance process, and provides project management services for IT projects.

Technology Integration Services (TIS) is responsible for planning, designing, operating and securing the agency data communications network, servers, and computing devices, as well as, maintaining regional connectivity, , and ensuring business continuity.

Applications Services builds and maintains software solutions providing modern tools that deliver new capabilities and enabling automated systems to communicate behind-the-scenes.

Technology Analysis Services (TAS) consists of Business Analysts (BAs) that serve as technology consultants for the agency's business units. The BAs drive innovation and automation efforts by identifying strategic and tactical technology solutions that deliver improved performance for the agency's missions.

Geospatial Technology Services (GTS) provides geospatial tools, data and analyses to GLO staff, other government entities, and the public. The GTS team researches and develops geospatial data, creates custom hardcopy and digital map products, and develops and administers GIS databases, applications and servers.

Office of Information Security

The Office of Information Security (OIS) is responsible for establishing a defensible information security program that reflects the unique business context of the agency by leveraging generally accepted standards and proven practices. The OIS supports the GLO by providing policy and standards, risk management, security awareness, vulnerability identification, incident management, and information security subject matter expertise. The OIS works with the other program areas to ensure the agency can address compliance with applicable rules and regulations and implement agile and effective, risk based controls to counter current and emerging threats.

Financial Management

Financial Management serves to implement accounting controls over all financial transactions of the agency as well as assist agency divisions in meeting their goals through prudent fiscal management policies. The responsibility of identifying, tracking, and reporting on the financial condition and results of agency operations is a cooperative effort between the following divisions: Budget & Planning, Cash Management, Financial Reporting & Accounting, Procurement, Federal Finance, Procurement, Building and Support Services, and Project Management.

The Budget & Planning division prepares and maintains the agency's operating budget and FTEs, strategic plan, performance measures, fiscal notes, - and legislative appropriation requests. The division manages the Uniform Statewide Accounting System (USAS) to ensure available funding for daily operations. The division also responds to inquiries from the Legislative Budget Board (LBB), Office of the Governor, Comptroller of Public Accounts and other entities.

The Cash Management division manages the receipt and disbursement of cash by accurately and timely recording cash related transactions to the agency's accounting and procurement systems. The division follows agency policy, accounting standards, and federal and state laws and regulations including, but not limited to, the Prompt Payment Act, the three-day deposit rule, and the \$50,000 deposit rule. The Cash Management division is

also responsible for managing the Building and Support Services, Property Accounting, Business Innovation, and travel.

The Financial Reporting & Accounting division maintains the agency's general ledger in accordance with state and federal accounting rules and regulations, ensures agency compliance to all Comptroller of Public Accounts (CPA) financial reporting requirements, performs reconciliations to internal and external systems; assists all agency program areas with updates and interpretations of Governmental Accounting Standards Board (GASB) rules and guidelines as needed, provides financial information to internal and external users, and produces the Annual Report of Non-Financial Data and Unaudited Annual Financial Report (AFR). The division also supports the functions of surface leasing and mineral leasing receivables, and penalty and interest assessments for late production reports and payments.

The Federal Finance division includes Federal Accounting, Disaster Procurement and HUB Coordination, and Reporting and Analysis. Federal Accounting includes FEMA and Veterans Land Board (VLB) accounting, as well as Texas State Veterans Homes and Cemeteries accounting. Federal Accounting provides accounting and cash management support for the agency's Community Development and Revitalization (CDR) division, as well as the VLB and Veterans Homes and Cemeteries. Disaster Procurement purchases goods and services for the CDR disaster recovery missions and helps ensure compliance with State of Texas procurement rules and regulations. Reporting and Analysis provides budgetary, planning and reporting support for CDR, the agency's Coastal Division, and VLB, as well as other internal and external parties. Federal Finance provides critical support to the audit of the agency's federal funds, and coordinates with CDR Coastal Division and VLB to help ensure compliance with federal funding rules and regulations. The division also assists in responses to inquiries from the Legislative Budget Board, Office of the Governor, and other entities requesting information relating to the agency's federal grant programs.

The Procurement division purchases goods and services for the agency, and ensures compliance with State of Texas procurement laws, rules, and regulations. The procurement team receives and processes requisitions, develops and reviews specifications and scopes of work, selects procurement methods, prepares and advertises solicitation documents, tabulates bids, coordinates evaluation of proposals, prepares and completes contract award documents, and issues purchase orders.

The Building and Support Services division provides a variety of services to the agency, including but not limited to, processing incoming and outgoing mail, shipping and receiving, pickup and delivery services, office design, and modular furniture reconfiguration. The support services staff also serves as the agency liaison for telecommunications, facilities and property management, fleet management and agency warehouse space.

The Stephen F. Austin building receptionist is also part of this division.

Office of General Counsel

The Office of General Counsel provides legal advice and counsel to the Land Commissioner, School Land Board, Veterans' Land Board, Boards for Lease, and all agency divisions. The program consists of seven practice groups: Coastal and Public Lands; Oil, Gas & Energy; Community Development & Revitalization – Legal; General law; Employment law, Ethics and Compliance; Open Government; and Support Services.

The Coastal and Public Lands group provides advice regarding the purchase and sale of land, land trades, commercial leases, surface leases, and general legal matters and issues relating to coastal public lands. This group also advises agency clients on legal issues regarding easements, boundary disputes, and environmental law matters involving hazardous substances which may impact state lands, title disputes, VLB matters, and other legal issues concerning real property and coastal public lands. The group also supports efforts related to protection of the public beach easement administration of the Open Beaches Act and the Dune Protection Act, coastal erosion response, natural resource damage assessment, the Texas Coastal Management Program, oil spill prevention and response, alternative fuels, and wetlands mitigation banking.

The Oil, Gas & Energy group advises agency clients on issues concerning state ownership and leasing of oil, gas, and other minerals, including lease maintenance, pooling, unitization, the Relinquishment Act, royalty payments, energy-related surface use easements and agreements, Railroad Commission matters, geochemical/geophysical permitting, mining, retail electric service under the State Power Program, and natural gas marketing.

The Community Development & Revitalization – Legal team provides a gamut of services facilitating the GLO's role as lead agency for administering over \$14 billion in HUD Community Development Block Grant Disaster Recovery (CDBG-DR) funds on behalf of the State, through which the agency works to rebuild communities by putting Texans back in their homes, restoring critical infrastructure and mitigating future damage through resilient community planning.

The General Law group provides legal services for contracting, purchasing, open meetings, rulemaking, the Alamo, the Veterans Land Board, and general advice relating to state and federal laws relevant to all program areas of the Texas General Land Office.

The Employment Law, Ethics and Compliance group provides legal advice and guidance on matters involving employees, agency-wide training and agency policies and procedures to ensure compliance with state and federal statutes, rules and regulations.

The Open Government section handles all matters related to the Public Information Act, including responding to all requests for information submitted pursuant thereto.

The Support Services team provides administrative support for all other teams, including clerical help, filing, travel assistance, and general office management tasks.

Governmental Relations

The Governmental Relations and Policy division facilitates communication between the General Land Office and governmental entities at the local, state and federal level. The division monitors legislative issues before the Texas Legislature and the United States Congress, as well as serving as the primary agency interface with other elected and appointed officials, boards and commissions. The division provides information and analysis to key decision makers on policy measures which may affect the GLO's missions and performance.

The division also analyzes legislative proposals and communicates possible impacts to agency program areas and budgets to legislative and executive offices at all levels of government. The division also provides information and training with respect to fulfilling requests for information from officials and staff and testifying before legislative bodies. The division works closely with the executive team and the Financial Management division in the preparation of the biennial Legislative Appropriations Request (LAR) as well as other budgetary and performance measure reports.

Human Resources

Human Resources (HR) is responsible for providing human resource management, leadership, expertise, and assistance for all GLO employees. Among its duties, HR:

- posts agency job vacancies, attends job fairs to recruit diverse and qualified applicants, reviews hiring recommendations, and administers the agency's intern programs;
- conducts new-hire orientation to familiarize new employees with agency policies and procedures and verifies employment eligibility of new hires as required by federal law;
- supports the professional development of agency employees by providing training to enhance employees' competencies to be successful in current and future positions;
- administers employee-related benefits for the agency (including medical, dental, life, and disability insurance and deferred compensation);
- ensures compliance with state and federal compensation laws regulations; and provides performance management assistance;

- reviews, updates, and maintains the agency policies and procedures in the GLO Employee Handbook to ensure compliance with relevant laws and regulations;
- provides answers to supervisors' and employee's questions about HR-related policies, laws, and procedures to provide solutions on employee relations topics;
- coordinates leave administration, such as processing requests under the Family and Medical Leave Act (FMLA) and applications for sick leave pool as well as responding to American with Disabilities request;
- provides oversight for payroll activities for the agency
- responds to inquiries from the Texas Workforce Commission Human Rights division, Equal Employment Opportunity Commission, and Department of Labor, and represents the agency in hearings regarding unemployment compensation benefits;
- investigates complaints made under agency policy or applicable law and reports findings to agency management;
- maintains employee records and responds to request for employee information;
- prepares internal and external personnel reports and statistics as required by law;
- coordinates employee safety program to ensure compliance with OSHA and other regulations and limit agency liability; and
- coordinates special projects for the agency, including employee recognition events such as the annual GLO service awards recognition ceremony.
- provides a safe way for current employees, staff or management, of the Texas General Land Office to raise questions, concerns, suggestions or ideas confidentially, and without fear of retaliation

Internal Audit

Internal Audit improves agency operations through systematic, independent and objective evaluation of all Texas General Land Office programs. Internal audit reports are provided to the Land Commissioner, agency management, the Office of the Governor, the Legislative Budget Board, the Sunset Advisory Commission and the State Auditor's Office.

Investment Management

The Investment Management program area is responsible for all strategic and tactical financial operations related to the financing mechanisms associated with the programs administered by the Veterans' Land Board of the State of Texas (VLB). Within that construct, Investment Management plans and manages the issuance of all tax-exempt and taxable bonds for the VLB and hedges associated interest rate risk by entering into interest rate swaps and other bond enhancement agreements. In addition, it

oversees the financial operations of the VLB loan programs, including the certification and sale of GNMA pass-through mortgage-backed securities in the secondary market. Investment

Management also manages the Veterans' Land Board investment portfolio to maximize return and minimize risk, while ensuring that programmatic liquidity and cash flow needs are satisfied. The program also ensures that the Veterans' Land Board investment portfolio maintains compliance with federal arbitrage regulations. Also, the program negotiates contract terms of management and operations agreements with operators of the veterans homes in the David A. Gloier Texas State Veterans Home Program and manages all aspects of the revenue bonds associated with the financing of veterans homes, including cash flow projections, debt service coverage analyses, and recommendations to the VLB concerning the structure of resident room rates.

In addition, the program manages the portion of the Permanent School Fund (PSF) real assets investment portfolio that is allocated to externally-managed real assets investment funds and separate account managers. In this role, the program is responsible for screening potential investments, performing due diligence in conjunction with the PSF's investment advisory consultant, scheduling and managing PSF Investment Advisory Committee (IAC) meetings, presenting recommendations to the School Land Board (SLB), maintaining the TXGLO PSF Investment Policy Statement, managing the PSF's external accounting, custody and performance measurement entity, managing relationships with external investment fund managers, and preparing and presenting Quarterly Investment Reports to the IAC and SLB.

The program also assists other General Land Office divisions and program areas with complex financial planning and analysis.

Veterans' Land Board (VLB)

The Veterans' Land Board is comprised of three divisions: the Veteran Land and Housing Program, the Veteran Homes Program, and the Veteran Cemeteries Program.

VETERANS LAND AND HOUSING PROGRAM

The Loan Operations team receives, processes, originates, and closes land and home improvement loan applications. The division provides oversight as VLB liaison with Gateway mortgage as Housing Program Administrator and its participating lenders. Nationstar is the Master Loan Servicer of the Home Loan program. Gateway recommends participating lenders; however, they are subject to VLB approval. The division acts as operational liaison between both our land loan servicer, Dovenmuehle Mortgage Inc., and our Home Loan master servicer. They initially handle customer complaints and inquiries, resolving issues on behalf of our customers that involve our servicers. The Loan Operations team receives, and tracks documents, performs minimal quality control on documents and ensures documents are properly executed, notarized and returned to the servicers.

In addition, the team is also responsible for processing housing and home improvement loan releases of lien as well as documents related to land, housing and home improvement foreclosures. Loan Operations oversees Loss Mitigation services for the land Contract for Deed program. This includes facilitating payment of back taxes payable on the sale of foreclosed land tracts, monitoring and handling accounts that are more than 120 days delinquent, forfeited or ordered for sale (foreclosed). Loan Operations prepares and conducts quarterly online forfeited land sales and maintains the Type II Program which offers the public the opportunity to purchase foreclosed tracts not sold to veterans during forfeited land sales four times per year.

VETERANS HOMES PROGRAM

The Deputy Director of the Texas State Veterans Homes Program (TSVH), along with the Program Administrator and staff oversees the operation of long-term skilled care nursing homes in Amarillo, Floresville, Temple, Big Spring, Bonham, El Paso, McAllen, Tyler, and Houston. The total licensed capacity of the nine homes is 1,300 residents comprised of Veterans, their spouses, and Gold Star Parents. Due to the Covid-19 pandemic; our census has dropped by approximately 150 residents. Our census has suffered a dramatic impact due to limitations on admissions and CMS and HHSC rules and regulations. The impact will continue until we have a viable vaccine for Covid-19. The Deputy Director also oversees the planning process for additional homes. TSVH provides public information about the Texas State Veterans Home Program to communities, hospitals, veterans' organizations, and other interested persons and groups throughout the state of Texas.

A professional long-term health care company under contract with the board operates each home. Each home also relies on very close cooperation with a nearby Veterans Administration Medical Center to meet specific health care needs of the Veteran residents admitted to each home. The division also acts as a liaison between the contracted operators and the residents to maintain the necessary close cooperative relationship between the Veterans' Land Board and the United States Department of Veterans Affairs.

VETERANS CEMETERY PROGRAM

The Deputy Director for TSVC, along with the On-Site Representatives (OSR) and administrative staff, oversees the operation of the cemetery program created to meet the burial needs of Texas Veterans, spouses and eligible dependents. The program currently operates a State Veterans Cemeteries in Killeen, Mission, Abilene and Corpus Christi. The four cemeteries have a combined capacity for 137,000 internments. The program works to ensure a close and collaborative relationship with the United States Department of Veterans Affairs concerning the burial needs of our Texas Veterans and their families.

The Texas General Land Office does not discriminate on the basis of race, color, national origin, sex, sexual orientation, religion, age, or disability in employment or the provision of services. To request an accessible format, contact us through RELAY Texas at 1-800-735-2989 (TDD), or mail your request to 1700 North Congress Avenue, Austin, Texas, 78701-1495. Additional information about the Texas General Land Office can be found at our Internet address, www.glo.texas.gov.