

YEAR ENDED AUGUST 31, 2023

FY2023

UNAUDITED ANNUAL FINANCIAL REPORT

Texas General Land Office
and Veterans Land Board

COMMISSIONER AND CHAIRWOMAN
DAWN BUCKINGHAM, M.D.



TEXAS GENERAL LAND OFFICE VETERANS' LAND BOARD

David Repp
Chief Financial Officer

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Accountant

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Accountant

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Accountant

UNAUDITED ANNUAL FINANCIAL REPORT
AUGUST 31, 2023



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TEXAS GENERAL LAND OFFICE
VETERANS' LAND BOARD

INTRODUCTION

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AUGUST 31, 2023



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TEXAS GENERAL LAND OFFICE
COMMISSIONER DAWN BUCKINGHAM, M.D.

November 20, 2023

The Honorable Greg Abbott, Governor
The Honorable Glenn Hegar, State Comptroller
Jerry McGinty, Director, Legislative Budget Board
Lisa Collier, 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, 2023, 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 Renee Castro, GLO Director of Financial Reporting and Accounting, at (512) 475-5046.

Sincerely,

DAWN BUCKINGHAM, M.D.
Commissioner, General Land Office

Enclosure

TEXAS GENERAL LAND OFFICE
VETERANS' LAND BOARD

GENERAL PURPOSE FINANCIAL STATEMENTS

UNAUDITED ANNUAL FINANCIAL REPORT
AUGUST 31, 2023



UNAUDITED
Texas General Land Office and Veterans' Land Board

EXHIBIT I

**COMBINED BALANCE SHEET/STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS**

August 31, 2023

(With comparative memorandum totals for August 31, 2022)

	GOVERNMENTAL FUND TYPES			GOVERNMENTAL
	GENERAL	SPECIAL	PERMANENT	FUNDS
	REVENUE	REVENUE	FUNDS	TOTALS
	FUNDS	FUNDS	(EXH. C-1)	(Memorandum Only)
	(EXH. A-1)	(EXH. B-1)	(EXH. C-1)	2023
	\$	\$	\$	\$
ASSETS				
Current Assets:				
Cash:				
Cash on Hand	200.00			200.00
Cash in Bank (Note 3)	10,000.00		336,333.68	346,333.68
Cash in State Treasury	99,402,674.16	3,177,057.41	497,147,646.93	599,727,378.50
Legislative Appropriation	404,455,991.85			404,455,991.85
Receivables:				
Federal	98,567,421.73	2,263,998.26		100,831,419.99
Interest and Dividends	120,521.30	12,087.68	2,102,063.81	2,234,672.79
Accounts	452,001.65	524,675.58	59,819,139.53	60,795,816.76
Lease Receivable				0.00
Due From:				
Other Funds	5,991,137.47	3,115,570.85		9,106,708.32
Other Agencies	352,700.64		82,165.45	434,866.09
Consumable Inventories	15,516.44			15,516.44
Prepaid Items	840,912.88		1,071.68	841,984.56
Notes Receivable			(2,640.52)	(2,640.52)
Total Current Assets	610,209,078.12	9,093,389.78	559,485,780.56	1,178,788,248.46
Noncurrent Assets:				
Lease Receivable				0.00
Land Sales Notes Receivable			21,486.15	21,486.15
Investments in Real Assets at Fair Value (Note 3)			6,144,059,408.12	6,144,059,408.12
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				
Right to Use Assets - Building Leases				
Less Accumulated Amortization				
Amortizable Intangible Assets:				
Computer Software				
Less Accumulated Amortization				
Total Noncurrent Assets	0.00	0.00	6,144,080,894.27	6,144,080,894.27
TOTAL ASSETS	610,209,078.12	9,093,389.78	6,703,566,674.83	7,322,869,142.73

UNAUDITED

GOVERNMENT-WIDE FINANCIAL STATEMENT (GWFS)			STATEMENT OF NET POSITION	
ADJUSTMENTS			TOTALS	
CAPITAL ASSETS	LONG-TERM LIABILITIES	OTHER	(Memorandum Only)	
			2023	2022
\$	\$	\$	\$	\$
			200.00	200.00
			346,333.68	727,150.96
			599,727,378.50	1,335,443,949.31
			404,455,991.85	487,991,584.14
			100,831,419.99	102,540,996.38
			2,234,672.79	2,091,391.32
			60,795,816.76	324,895,412.49
			0.00	823,931.53
			9,106,708.32	7,699,469.54
			434,866.09	2,959,326.06
			15,516.44	16,540.54
			841,984.56	848,756.43
			(2,640.52)	24,809.78
			<u>1,178,788,248.46</u>	<u>2,266,063,518.48</u>
			0.00	3,613,043.43
			21,486.15	18,845.59
			6,144,059,408.12	12,584,524,698.55
7,669,789.86			7,669,789.86	7,511,675.25
(6,382,013.79)			(6,382,013.79)	(6,530,776.75)
7,162,449.54			7,162,449.54	7,150,403.98
(5,839,768.29)			(5,839,768.29)	(5,631,942.99)
83,771,239.29			83,771,239.29	74,158,239.12
(45,055,144.30)			(45,055,144.30)	(42,371,146.35)
5,944,673.61			5,944,673.61	5,690,395.61
(1,370,019.64)			(1,370,019.64)	(1,060,804.54)
448,803.75			448,803.75	139,228.00
(68,088.91)			(68,088.91)	(31,939.44)
37,173,191.89			37,173,191.89	21,315,316.87
16,465,401.59			16,465,401.59	16,395,515.84
13,994,522.76			13,994,522.76	7,214,800.19
21,340,163.13			21,340,163.13	10,668,311.47
(7,990,512.27)			(7,990,512.27)	(5,074,264.61)
781,763.78			781,763.78	954,687.96
(781,763.78)			(781,763.78)	(954,687.96)
<u>127,264,688.22</u>	<u>0.00</u>	<u>0.00</u>	<u>6,271,345,582.49</u>	<u>12,677,699,599.22</u>
<u>127,264,688.22</u>	<u>0.00</u>	<u>0.00</u>	<u>7,450,133,830.95</u>	<u>14,943,763,117.70</u>

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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, 2023

(With comparative memorandum totals for August 31, 2022)

	GOVERNMENTAL FUND TYPES			GOVERNMENTAL
	GENERAL	SPECIAL	PERMANENT	FUNDS
	REVENUE	REVENUE	FUNDS	TOTALS
	FUNDS	FUNDS		(Memorandum Only)
	(EXH. A-1)	(EXH. B-1)	(EXH. C-1)	2023
	\$	\$	\$	\$
LIABILITIES AND FUND BALANCES				
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows of Resources				0.00
TOTAL DEFERRED OUTFLOWS	0.00	0.00	0.00	0.00
LIABILITIES				
Current Liabilities:				
Payables:				
Accounts	172,843,021.93	686,008.89	26,327,709.60	199,856,740.42
Payroll	5,634,745.23	141,530.87	1,711,335.11	7,487,611.21
Interfund (Note 12)				0.00
Retainage	(1,441.69)			(1,441.69)
Interest				0.00
Due To:				
Other Funds	5,714,066.29	946,808.33	52,937.20	6,713,811.82
Other Agencies	577,521.64	4,160,464.71		4,737,986.35
Unearned Revenues	19,881,436.02	626,423.00	182,041,228.69	202,549,087.71
Claims and Judgments (Note 4)				0.00
Employees' Compensable Leave (Note 5)				0.00
Right to Use Lease Obligations (Note 5)				
Total Current Liabilities	204,649,349.42	6,561,235.80	210,133,210.60	421,343,795.82
Noncurrent Liabilities:				
Employees' Compensable Leave (Note 5)				0.00
Right to Use Lease Obligations (Note 5)				0.00
Total Noncurrent Liabilities	0.00	0.00	0.00	0.00
TOTAL LIABILITIES	204,649,349.42	6,561,235.80	210,133,210.60	421,343,795.82
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources				0.00
TOTAL DEFERRED INFLOWS	0.00	0.00	0.00	0.00
FUND FINANCIAL STATEMENT - FUND BALANCES				
Fund Balances (Note 1):				
Nonspendable for Permanent Fund Corpus			6,435,059,318.55	6,435,059,318.55
Nonspendable for Inventory	15,516.44			15,516.44
Nonspendable for Prepaid	840,912.88			840,912.88
Restricted	16,936,702.72	2,532,153.98	58,373,074.00	77,841,930.70
Committed	35,332,721.14		1,071.68	35,333,792.82
Assigned				0.00
Unassigned	352,433,875.52			352,433,875.52
TOTAL FUND BALANCES (Exhibit II)	405,559,728.70	2,532,153.98	6,493,433,464.23	6,901,525,346.91

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

GOVERNMENT-WIDE FINANCIAL STATEMENT (GWFS)			STATEMENT OF NET POSITION	
ADJUSTMENTS			TOTALS	
CAPITAL ASSETS	LONG-TERM LIABILITIES	OTHER	(Memorandum Only)	
\$	\$	\$	2023	2022
			\$	\$
			0.00	0.00
0.00	0.00	0.00	0.00	0.00
			199,856,740.42	104,516,834.71
			7,487,611.21	6,851,799.99
			0.00	0.00
			(1,441.69)	(1,441.69)
	1,728.13		1,728.13	(2,265.83)
			6,713,811.82	9,360,921.10
			4,737,986.35	6,710,049.37
			202,549,087.71	223,564,066.08
			0.00	0.00
	5,459,293.89		5,459,293.89	4,861,786.45
	3,161,143.84		3,161,143.84	1,026,632.46
0.00	8,622,165.86	0.00	429,965,961.68	356,888,382.64
			4,505,121.33	3,395,374.85
			8,932,044.92	3,562,972.64
0.00	13,437,166.25	0.00	13,437,166.25	6,958,347.49
0.00	22,059,332.11	0.00	443,403,127.93	363,846,730.13
			0.00	4,271,337.68
0.00	0.00	0.00	0.00	4,271,337.68
			6,435,059,318.55	0.00
			15,516.44	16,540.54
			840,912.88	848,756.43
			77,841,930.70	13,965,417,007.07
			35,333,792.82	59,720,921.77
			0.00	0.00
			352,433,875.52	472,943,313.00
			6,901,525,346.91	14,498,946,538.81
127,264,688.22			127,264,688.22	89,543,011.65
		6,493,433,464.23	6,493,433,464.23	13,938,103,388.68
	(22,059,332.11)	(6,493,433,464.23)	(6,515,492,796.34)	(13,950,947,889.25)
127,264,688.22	(22,059,332.11)	0.00	7,006,730,703.02	14,575,645,049.89

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, 2023

(With comparative memorandum totals for the year ended August 31, 2022)

	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	12,063,954.00		
Additional Appropriations	759,882.88		
Federal Revenues (Sch. 1-A)	1,205,475,773.19	1,948,397.52	
Federal Grant Pass-Through Revenues (Sch. 1-A)	573,119.55		
Licenses, Fees, and Permits	5,397,802.27		1,747,736.34
Interest and Other Investment Income	1,147,970.46	174,381.12	224,709,737.35
Gain (Loss) on Sale of Sovereign/Other Land			809,349.71
Net Increase (Decrease) in Fair Value of Investments			(175,289,536.26)
Land Income	(18,345.45)	5,900,473.27	1,590,355,725.23
Sales of Goods and Services	7,141,716.21	440.85	22,123,521.79
Increase in Obligations - Leases	10,671,851.66		
Other Revenues	92,724,162.93	10,579.25	(37,096.73)
TOTAL REVENUES	1,335,937,887.70	8,034,272.01	1,664,419,437.43
EXPENDITURES/EXPENSES			
Salaries and Wages	49,796,031.40	1,237,863.20	15,742,436.73
Payroll Related Costs	15,608,700.76	491,902.62	4,367,368.68
Professional Fees and Services	785,933,089.26	2,600,554.64	7,095,667.09
Travel	668,081.48	29,802.19	145,596.30
Materials and Supplies	1,940,637.15	305,918.79	77,162,395.65
Communication and Utilities	1,041,642.22	169,911.34	466,773.78
Repairs and Maintenance	1,997,343.60	218,402.73	316,735.51
Rentals and Leases (Note 8)	1,525,727.19	6,155.51	42,185.43
Printing and Reproduction	59,648.38	3,662.92	18,327.18
Claims and Judgments (Note 17)			5,142.27
Federal Grant Pass-Through Expenditures (Sch. 1-A)	2,680,924.27		
State Grant Pass-Through Expenditures (Sch. 1-B)	(39,651.26)		
Intergovernmental Payments	579,556,619.30		
Public Assistance Payments	159,366,948.67		
Other Expenditures	15,513,152.39	3,131,812.96	4,454,296.35
Debt Service:			
Principal	2,948,388.69		219,879.31
Interest			
Other Financing Fees			
Capital Outlay	43,539,530.68	846,416.62	118,427.77
Amortization Expense			
Depreciation Expense			
TOTAL EXPENDITURES/EXPENSES	1,662,136,814.18	9,042,403.52	110,155,232.05
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES	(326,198,926.48)	(1,008,131.51)	1,554,264,205.38

UNAUDITED

GOVERNMENTAL FUNDS				STATEMENT OF ACTIVITIES	
GOVERNMENT-WIDE FINANCIAL STATEMENT (GWFS)					
TOTALS	ADJUSTMENTS			TOTALS	
(Memorandum Only)	CAPITAL ASSETS	LONG-TERM LIABILITIES	OTHER	(Memorandum Only)	
2023				2023	2022
\$	\$	\$	\$	\$	\$
12,063,954.00				12,063,954.00	212,374,969.00
759,882.88				759,882.88	1,014,500.24
1,207,424,170.71				1,207,424,170.71	1,316,922,001.27
573,119.55				573,119.55	399,042.84
7,145,538.61				7,145,538.61	29,138,876.26
226,032,088.93				226,032,088.93	285,813,427.39
809,349.71				809,349.71	285,152.27
(175,289,536.26)				(175,289,536.26)	4,383,285,208.55
1,596,237,853.05				1,596,237,853.05	2,080,624,739.84
29,265,678.85				29,265,678.85	110,374,656.75
10,671,851.66		(10,671,851.66)		0.00	0.00
92,697,645.45				92,697,645.45	64,605,530.78
3,008,391,597.14	0.00	(10,671,851.66)	0.00	2,997,719,745.48	8,484,838,105.19
66,776,331.33		1,707,253.92		68,483,585.25	62,428,404.90
20,467,972.06				20,467,972.06	19,293,880.65
795,629,310.99				795,629,310.99	707,613,142.78
843,479.97				843,479.97	507,793.24
79,408,951.59				79,408,951.59	91,540,023.65
1,678,327.34				1,678,327.34	2,091,084.90
2,532,481.84				2,532,481.84	2,673,108.58
1,574,068.13				1,574,068.13	1,414,149.96
81,638.48				81,638.48	77,742.82
5,142.27				5,142.27	25,619.60
2,680,924.27				2,680,924.27	4,415,205.60
(39,651.26)				(39,651.26)	49,874.49
579,556,619.30				579,556,619.30	446,136,744.15
159,366,948.67				159,366,948.67	176,403,381.95
23,099,261.70		3,993.96		23,103,255.66	15,223,634.14
3,168,268.00		(3,168,268.00)		0.00	0.00
0.00				0.00	0.00
0.00				0.00	21,258,993.49
44,504,375.07	(44,504,375.07)			0.00	(21,258,993.49)
	2,916,247.66			2,916,247.66	2,508,378.01
0.00	3,895,489.07			3,895,489.07	3,788,543.04
1,781,334,449.75	(37,692,638.34)	(1,457,020.12)	0.00	1,742,184,791.29	1,536,190,712.46
1,227,057,147.39	37,692,638.34	(9,214,831.54)	0.00	1,255,534,954.19	6,948,647,392.73

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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, 2023

(With comparative memorandum totals for the year ended August 31, 2022)

	GOVERNMENTAL FUND TYPES		
	GENERAL REVENUE FUNDS (EXH. A-2)	SPECIAL REVENUE FUNDS (EXH. B-2)	PERMANENT FUNDS (EXH. C-2)
	\$	\$	\$
OTHER FINANCING SOURCES (USES)			
Transfers In	241,148,321.72	6,957,153.53	7,038.69
Transfers Out	(66,771,256.63)	(7,542,264.72)	(8,998,941,411.21)
Insurance Recoveries			
Sale of Capital Assets	244,401.90	3,275.68	242.69
Gain (Loss) on Sale of Capital Assets			
Increase (Decrease) in Net Assets - Due to Interagency Transfer of Capital Assets			
Net Change in Reserve for Inventories			
Capital Contributions			
Legislative Financing Uses	642,733.15		
Appropriations Lapsed			
TOTAL OTHER FINANCING SOURCES (USES)	175,264,200.14	(581,835.51)	(8,998,934,129.83)
NET CHANGE IN FUND BALANCES/NET POSITION	(150,934,726.34)	(1,589,967.02)	(7,444,669,924.45)
FUND FINANCIAL STATEMENT - FUND BALANCES			
FUND BALANCES - August 31, 2022	556,721,029.13	4,122,121.00	13,938,103,388.68
Restatements (Note 14)	(226,574.09)		
FUND BALANCES - August 31, 2022, as restated	556,494,455.04	4,122,121.00	13,938,103,388.68
FUND BALANCES - August 31, 2023 (Exhibit I)	405,559,728.70	2,532,153.98	6,493,433,464.23

GOVERNMENT-WIDE STATEMENT OF NET POSITION

NET POSITION/NET CHANGE IN NET POSITION

NET POSITION - August 31, 2022

Restatements (Note 14)

NET POSITION - August 31, 2022, as restated

NET POSITION - August 31, 2023 (Exhibit I)

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

UNAUDITED

GOVERNMENTAL FUNDS TOTALS				STATEMENT OF ACTIVITIES TOTALS			
GOVERNMENT-WIDE FINANCIAL STATEMENT (GWFS)							
ADJUSTMENTS							
(Memorandum Only)	CAPITAL ASSETS	LONG-TERM LIABILITIES	OTHER	(Memorandum Only)			
2023				2023	2022		
\$	\$	\$	\$	\$	\$		
248,112,513.94	0.00			248,112,513.94	444,670,913.35		
(9,073,254,932.56)	(1,722.92)			(9,073,256,655.48)	(1,941,833,039.85)		
0.00	0.00			0.00	165,755.70		
247,920.27	(247,920.27)			0.00	(174,514.21)		
0.00	187,029.08			187,029.08	70,852.62		
				0.00			
0.00	23,800.00			23,800.00	0.00		
0.00				0.00	0.00		
0.00	0.00			0.00	93,900.00		
642,733.15				642,733.15	0.00		
0.00				0.00	0.00		
<u>(8,824,251,765.20)</u>	<u>(38,814.11)</u>	<u>0.00</u>	<u>0.00</u>	<u>(8,824,290,579.31)</u>	<u>(1,497,006,132.39)</u>		
<u>(7,597,194,617.81)</u>				<u>(7,568,755,625.12)</u>	<u>5,451,641,260.34</u>		
14,498,946,538.81				14,498,946,538.81	9,067,228,421.62		
(226,574.09)				(226,574.09)	152,025.77		
<u>14,498,719,964.72</u>				<u>14,498,719,964.72</u>	<u>9,067,380,447.39</u>		
<u>6,901,525,346.91</u>				<u>6,929,964,339.60</u>	<u>14,519,021,707.73</u>		
(7,597,194,617.81)	37,653,824.23	(9,214,831.54)	0.00	(7,568,755,625.12)	5,451,640,574.06		
14,498,946,538.81	89,543,011.65	(12,844,500.57)	0.00	14,575,645,049.89	9,123,466,049.67		
(226,574.09)	67,852.34			(158,721.75)	538,426.16		
<u>14,498,719,964.72</u>	<u>89,610,863.99</u>	<u>(12,844,500.57)</u>	<u>0.00</u>	<u>14,575,486,328.14</u>	<u>9,124,004,475.83</u>		
<u>6,901,525,346.91</u>	<u>127,264,688.22</u>	<u>(22,059,332.11)</u>	<u>0.00</u>	<u>7,006,730,703.02</u>	<u>14,575,645,049.89</u>		

UNAUDITED
Texas General Land Office and Veterans' Land Board

EXHIBIT III

**COMBINED STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

August 31, 2023

(With comparative memorandum totals for August 31, 2022)

	VETERANS' HOUSING ASSISTANCE PROGRAM (EXH. D-1a)	VETERANS' LAND PROGRAM (EXH. D-1b)
ASSETS	\$	\$
Current Assets:		
Cash and Cash Equivalents (Note 3):		
Cash on Hand		200.00
Cash in State Treasury	1,025,370,532.51	116,892,037.58
Cash Equivalents	12,439,165.01	744,998.51
Derivative Instruments		
Loans and Contracts Receivables:		
Land Contracts		2,396,615.87
Mortgages	61,492,756.08	5,628,233.82
Home Improvement Loans	1,667,499.76	
Receivables:		
Federal		
Interest and Dividends Receivables:		
Investment Interest	4,286,770.18	485,076.76
Land Contracts		261,121.68
Mortgages		1,988,639.96
Home Improvement Loans		
Accounts Receivable		
(Net of Allowance for Uncollectibles)	10,811,798.27	151,743.01
Due from Other Funds	6,568,012.68	1,137,767.46
Due from Other Agencies		
Prepaid Items		
Total Current Assets	1,122,636,534.49	129,686,434.65
Non-Current Assets:		
Investments:		
Securities at Market Value (Note 3)		2,000,000.00
Derivative Instruments (Note 3)		98,936.97
Hedging Derivative Instruments	160,648,885.69	
Loans and Contracts Receivables:		
Land Contracts		14,932,370.75
Mortgages	2,243,230,692.44	336,779,373.96
Home Improvement Loans	26,206,854.15	
Property Acquired Through Foreclosure (Note 33):		
Land Contracts		
Mortgages		
Capital Assets (Note 2):		
Depreciable Capital Assets:		
Vehicles, Boats, and Aircraft		
Less Accumulated Depreciation		
Furniture and Equipment		
Less Accumulated Depreciation		271,441.49
Buildings		
Less Accumulated Depreciation		
Facilities and Other Improvements		
Less Accumulated Depreciation		(157,620.01)

UNAUDITED

VETERANS FINANCIAL ASSISTANCE PROGRAM FUND 0374 (EXH. D-1c)		DISCRETELY PRESENTED COMPONENT UNIT FUND 9999 U/F (5002)	PROPRIETARY FUNDS TOTALS (Memorandum Only)	
			2023	2022
\$	\$	\$	\$	\$
			200.00	200.00
96,185,252.45			1,238,447,822.54	746,447,439.26
			13,184,163.52	823,618,053.69
			2,396,615.87	3,960,600.23
			67,120,989.90	55,953,467.96
			1,667,499.76	1,768,671.67
16,223,635.25			16,223,635.25	13,510,685.30
365,664.96			5,137,511.90	1,484,534.50
			261,121.68	304,262.11
			1,988,639.96	7,187,158.21
			0.00	162,711.32
2,127,965.36			2,127,965.36	2,225,853.72
(528,226.67)			10,435,314.61	(2,891,879.20)
105,018.65			7,810,798.79	34,421,369.23
888,055.10			888,055.10	640,951.12
1,352.53			1,352.53	485.40
<u>115,368,717.63</u>	<u>0.00</u>		<u>1,367,691,686.77</u>	<u>1,688,794,564.52</u>
			2,000,000.00	13,782,717.06
			98,936.97	(127,594.48)
			160,648,885.69	76,420,341.70
			14,932,370.75	18,037,833.74
			2,580,010,066.40	1,956,535,542.89
			26,206,854.15	28,561,907.09
			0.00	168,207.02
			0.00	0.00
			0.00	0.00
			0.00	0.00
1,424,721.76			1,696,163.25	1,432,500.33
(877,478.76)			(1,035,098.77)	(873,524.97)
171,611,376.81			171,611,376.81	170,315,654.41
(96,253,890.96)			(96,253,890.96)	(90,106,079.79)
22,963.00			22,963.00	22,963.00
(13,585.14)			(13,585.14)	(12,437.10)

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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, 2023

(With comparative memorandum totals for August 31, 2022)

	VETERANS' HOUSING ASSISTANCE PROGRAM (EXH. D-1a)	VETERANS' LAND PROGRAM (EXH. D-1b)
	\$	\$
ASSETS (continued)		
Non-Depreciable Capital Assets:		
Construction in Progress		
Land		
Amortizable Intangible Assets:		
Computer Software		
Less Accumulated Amortization		
Total Noncurrent Assets	2,430,086,432.28	353,924,503.16
TOTAL ASSETS	3,552,722,966.77	483,610,937.81
DEFERRED OUTFLOW OF RESOURCES		
Hedging Derivative Instruments	18,069,937.04	2,129,929.26
TOTAL DEFERRED OUTFLOW OF RESOURCES	18,069,937.04	2,129,929.26
LIABILITIES		
Current Liabilities:		
Accounts Payable (Note 1)	1,894,210.03	3,557,783.35
Debt Service Interest Payable		12,417.76
Due to Other Funds	6,568,012.68	2,248,799.35
Due to Other Agencies		
Unearned Revenues		99,911.15
Bonds Payable (Net of Unamortized Discounts and Premiums) (Note 5)		
General Obligation	234,615,000.00	15,850,000.00
Total Current Liabilities	243,077,222.71	21,768,911.61
Noncurrent Liabilities:		
Bonds Payable (Net of Unamortized Discounts and Premiums) (Note 5)		
General Obligation	2,909,655,000.00	67,230,000.00
Hedging Derivative Instruments	18,069,937.04	2,129,929.26
Total Noncurrent Liabilities	2,927,724,937.04	69,359,929.26
TOTAL LIABILITIES	3,170,802,159.75	91,128,840.87
DEFERRED INFLOW OF RESOURCES		
Hedging Derivative Instruments	160,648,885.69	
TOTAL DEFERRED INFLOW OF RESOURCES	160,648,885.69	0.00
NET POSITION		
Invested in Capital Assets, Net of Related Debt Restricted for the Veterans' Land Board	239,341,858.37	113,821.48 394,498,204.72
TOTAL NET POSITION (Exhibit IV)	239,341,858.37	394,612,026.20

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

UNAUDITED

VETERANS FINANCIAL ASSISTANCE PROGRAM FUND 0374 (EXH. D-1c)		DISCRETELY PRESENTED COMPONENT UNIT FUND 9999 U/F (5002)		PROPRIETARY FUNDS TOTALS (Memorandum Only)	
\$		\$		\$	
				2023	2022
				29,392,951.86	13,943,473.42
				5,839,500.00	5,839,500.00
				0.00	215,649.49
				0.00	(215,649.49)
	111,146,558.57	0.00		2,895,157,494.01	2,193,941,004.32
	226,515,276.20	0.00		4,262,849,180.78	3,882,735,568.84
				20,199,866.30	49,314,289.00
	0.00	0.00		20,199,866.30	49,314,289.00
				28,747,047.55	16,409,098.99
				12,417.76	230,345.66
	412,788.45			9,229,600.48	6,754,899.95
				0.00	0.00
	1,882,746.00			1,982,657.15	400,169.27
				250,465,000.00	239,465,000.00
	25,590,588.62	0.00		290,436,722.94	263,259,513.87
				2,976,885,000.00	2,753,980,000.00
				20,199,866.29	49,314,289.00
	0.00	0.00		2,997,084,866.29	2,803,294,289.00
	25,590,588.62	0.00		3,287,521,589.23	3,066,553,802.87
				160,648,885.69	76,420,341.70
	0.00	0.00		160,648,885.69	76,420,341.70
	111,146,558.57			111,260,380.05	100,432,666.34
	89,778,129.01			723,618,192.10	688,643,046.93
	200,924,687.58	0.00		834,878,572.15	789,075,713.27

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, 2023

(With comparative memorandum totals for the year ended August 31, 2022)

	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)			15,127,750.84
Medicare Reimbursements			
Medicare Reimbursements (Net of Provisions for Bad Debt)			5,285,925.56
Medicaid Revenues			
Medicaid Revenues (Net of Provisions for Bad Debt)			7,505,331.62
Other Assistance Payments			
Other Assistance Payments (Net of Provisions for Bad Debt)			441,414.12
Interest & Investment Income:			
Loan Programs	70,060,193.37	22,772,909.53	
Operating Federal Revenues - VA Per Diem			103,360,004.38
Other Revenues:			
Third Party Reimbursements			859,085.69
Revenue Transfers Within Fund			
Miscellaneous Income	122,700.00	503,590.80	11,435.67
TOTAL OPERATING REVENUES	70,182,893.37	23,276,500.33	132,590,947.88
OPERATING EXPENSES			
Professional Fees and Services	1,422,220.57	1,792,762.16	107,307,109.29
Travel			139,122.38
Materials and Supplies		166,097.58	3,705,933.68
Communications and Utilities			26,137.92
Repairs and Maintenance	10,944.00	10,944.00	1,375,127.20
Rentals and Leases			
Printing and Reproduction	500.00		
Depreciation and Amortization		26,441.20	6,302,096.30
Interest Expense			32,908.63
Debt Service Interest	97,981,919.05	5,744,974.92	
Other Operating Expenses	10,266,428.11	524,033.96	658,947.61
TOTAL OPERATING EXPENSES	109,682,011.73	8,265,253.82	119,547,383.01
OPERATING INCOME (LOSS) (Exhibit V)	(39,499,118.36)	15,011,246.51	13,043,564.87

UNAUDITED

DISCRETELY PRESENTED COMPONENT UNIT FUND 9999 U/F (5002)	PROPRIETARY FUNDS TOTALS (Memorandum Only)	
	2023	2022
	\$	\$
	15,127,750.84	12,505,497.69
	5,285,925.56	5,097,171.70
	7,505,331.62	7,007,221.51
	441,414.12	330,659.37
	92,833,102.90	65,940,382.57
	103,360,004.38	83,443,053.69
	859,085.69	450,507.98
	0.00	237,378.50
	637,726.47	508,892.70
<u>0.00</u>	<u>226,050,341.58</u>	<u>175,520,765.71</u>
	110,522,092.02	103,954,386.43
	139,122.38	108,469.74
	3,872,031.26	2,488,822.07
	26,137.92	52,517.95
	1,397,015.20	372,159.95
	0.00	0.00
	500.00	250.00
	6,328,537.50	7,494,461.29
	32,908.63	5,527.14
	103,726,893.97	63,150,181.82
	11,449,409.68	8,515,811.72
<u>0.00</u>	<u>237,494,648.56</u>	<u>186,142,588.11</u>
<u>0.00</u>	<u>(11,444,306.98)</u>	<u>(10,621,822.40)</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, 2023

(With comparative memorandum totals for the year ended August 31, 2022)

	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			12,940,966.06
Federal Pass-Through Revenues			3,591,844.83
Gifts/Pledges/Donations			26,447.76
Investment Income	37,185,443.24	5,482,576.19	3,090,785.23
Net Increase (Decrease) in Fair Value of Investments	27,785,382.52	347,164.87	
Gain (Loss) on Land Loans, Housing Mortgage and Home Improvement Loans	(276,549.86)	1,142,264.34	
Claims and Judgments (Note 17)			
Borrower Rebate/Agent Fees - Securities Lending	28,544.05	11,804.85	
Gain/(Loss) on Sale of Capital Asset			50.00
TOTAL NONOPERATING REVENUES (EXPENSES)	64,722,819.95	6,983,810.25	19,650,093.88
INCOME (LOSS) BEFORE OTHER REVENUES, (EXPENSES), GAINS/(LOSSES), AND TRANSFERS	25,223,701.59	21,995,056.76	32,693,658.75
OTHER REVENUES, (EXPENSES), GAINS/(LOSSES), AND TRANSFERS			
Transfers In	96,421,195.02	609,202.68	6,236,978.28
Transfers Out	(84,985,268.73)	(43,764,004.94)	(8,779,267.94)
TOTAL OTHER REVENUES, (EXPENSES), GAINS/(LOSSES), AND TRANSFERS	11,435,926.29	(43,154,802.26)	(2,542,289.66)
CHANGE IN NET POSITION	36,659,627.88	(21,159,745.50)	30,151,369.09
NET POSITION - August 31, 2022	202,374,494.12	415,936,970.50	170,764,248.65
Restatements (Note 14)	307,736.37	(165,198.80)	9,069.84
NET POSITION - August 31, 2022, as Restated	202,682,230.49	415,771,771.70	170,773,318.49
NET POSITION - August 31, 2023 (Exhibit III)	239,341,858.37	394,612,026.20	200,924,687.58

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)	
	2023	2022
	\$	\$
	12,940,966.06	21,688,429.68
	3,591,844.83	16,942,071.60
	26,447.76	37,629.62
	45,758,804.66	10,437,966.83
	28,132,547.39	(40,465,997.43)
	865,714.48	28,278,449.92
	0.00	74,652.00
	40,348.90	91,919.13
	50.00	2,375.00
<u>0.00</u>	<u>91,356,724.08</u>	<u>37,087,496.35</u>
<u>0.00</u>	<u>79,912,417.10</u>	<u>26,465,673.95</u>
	103,267,375.98	58,968,245.60
	(137,528,541.61)	(89,732,848.98)
<u>0.00</u>	<u>(34,261,165.63)</u>	<u>(30,764,603.38)</u>
0.00	45,651,251.47	(4,298,929.43)
0.00	789,075,713.27	793,657,167.97
	151,607.41	(282,525.27)
<u>0.00</u>	<u>789,227,320.68</u>	<u>793,374,642.70</u>
<u>0.00</u>	<u>834,878,572.15</u>	<u>789,075,713.27</u>

UNAUDITED
Texas General Land Office and Veterans' Land Board

EXHIBIT V

**COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Year Ended August 31, 2023

(With comparative memorandum totals for the year ended August 31, 2022)

	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			15,590,162.11
Receipts from Veterans Administration			100,956,742.33
Receipts from Medicare			5,288,039.98
Receipts from Medicaid			7,559,675.19
Receipts from Gifts/Pledges/Donations			26,447.76
Receipts from Loan Payments	270,955,157.63	79,717,058.24	
Other Operating Cash Receipts	127,000.00	564,492.26	516,477.52
Loan Fundings	(803,577,721.12)	(85,706,224.92)	
Payments to Suppliers of Goods and Services	(10,085,976.14)	(2,414,585.08)	(100,222,618.97)
Payments for Other Expenses	(733.02)	(421.47)	(151,008.69)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(542,582,272.65)	(7,839,680.97)	29,563,917.23
NONCAPITAL FINANCING ACTIVITIES			
Proceeds from Debt Issuance	500,000,000.00		
Payments for Interest			(7,561.20)
Proceeds from Other Financing Activities	59,082,049.63	4,045,238.57	2,760,977.56
Payments for Debt Service - Principal	(250,361,956.29)	(16,075,000.00)	
Payments for Debt Service - Interest	(98,200,467.55)	(5,744,541.67)	
Transfers from Other Funds	115,486,682.77	620,000.00	10,697,660.57
Transfers to Other Funds	(112,244,756.48)	(41,802,522.67)	(9,086,254.02)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	213,761,552.08	(58,956,825.77)	4,364,822.91
CAPITAL AND RELATED FINANCING ACTIVITIES			
Receipts from Veterans Administration			12,908,372.06
Proceeds from Sale of Capital Assets			236,082.43
Payments for Additions to Capital Assets			(20,555,707.61)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	0.00	0.00	(7,411,253.12)
INVESTING ACTIVITIES			
Proceeds from Interest and Investment Income	10,982,180.46	1,294,168.89	
Proceeds from Sale of Investments	8,143,865.16	4,000,000.00	37,652.79
Payments to Acquire Investments			
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	19,126,045.62	5,294,168.89	37,652.79
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(309,694,674.95)	(61,502,337.85)	26,555,139.81
CASH AND CASH EQUIVALENTS - August 31, 2022	1,347,504,372.47	179,139,573.94	69,630,112.64
CASH AND CASH EQUIVALENTS - August 31, 2023	1,037,809,697.52	117,637,236.09	96,185,252.45

PROPRIETARY FUNDS	
TOTALS	
(Memorandum Only)	
2023	2022
\$	\$
15,590,162.11	12,684,035.59
100,956,742.33	81,232,935.74
5,288,039.98	4,969,664.29
7,559,675.19	7,134,683.27
26,447.76	37,779.62
350,672,215.87	441,947,992.94
1,207,969.78	13,027,127.24
(889,283,946.04)	(600,531,661.19)
(112,723,180.19)	(134,509,386.31)
<u>(152,163.18)</u>	<u>(336,732.26)</u>
<u>(520,858,036.39)</u>	<u>(174,343,561.07)</u>
500,000,000.00	250,000,000.00
(7,561.20)	0.00
65,888,265.76	4,223,367.69
(266,436,956.29)	(235,330,000.00)
(103,945,009.22)	(65,658,213.39)
126,804,343.34	81,968,637.21
<u>(163,133,533.17)</u>	<u>(88,439,622.26)</u>
<u>159,169,549.22</u>	<u>(53,235,830.75)</u>
12,908,372.06	5,710,851.94
236,082.43	192,251.40
<u>(20,555,707.61)</u>	<u>(11,728,993.74)</u>
<u>(7,411,253.12)</u>	<u>(5,825,890.40)</u>
12,276,349.35	90,805,021.83
12,181,517.95	852,188,828.06
<u>0.00</u>	<u>(237,857,475.75)</u>
<u>24,457,867.30</u>	<u>705,136,374.14</u>
(344,641,872.99)	471,731,091.92
<u>1,596,274,059.05</u>	<u>1,098,334,601.03</u>
<u>1,251,632,186.06</u>	<u>1,570,065,692.95</u>

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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, 2023

(With comparative memorandum totals for the year ended August 31, 2022)

	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)	(39,499,118.36)	15,011,246.51	13,043,564.87
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Depreciation and Amortization		26,441.20	6,302,096.30
Classification Differences	98,104,925.76	7,263,059.72	134,490.62
(Increase) Decrease in Receivables	(5,431,956.05)	(2,624,029.02)	(2,511,202.58)
(Increase) Decrease in Loans and Contracts	(596,481,826.51)	(31,034,546.74)	
(Increase) Decrease in Prepaid Items			(867.13)
(Increase) Decrease in Other Assets	61,248.26	(54.14)	(751,086.86)
Increase (Decrease) in Payables	725,594.39	3,499,450.38	11,365,573.06
Increase (Decrease) in Other Liabilities	(61,140.14)	18,751.12	1,981,348.95
TOTAL ADJUSTMENTS	(503,083,154.29)	(22,850,927.48)	16,520,352.36
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(542,582,272.65)	(7,839,680.97)	29,563,917.23
NONCASH TRANSACTIONS			
Change in Fair Value of Investments	491,647.75	(41,500.00)	
TOTAL NONCASH TRANSACTIONS	491,647.75	(41,500.00)	0.00

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

PROPRIETARY FUNDS	
TOTALS	
(Memorandum Only)	
2023	2022
\$	\$
(11,444,306.98)	(10,621,822.40)
6,328,537.50	7,494,461.29
105,502,476.10	85,738,347.42
(10,567,187.65)	(264,974.82)
(627,516,373.25)	(236,374,840.49)
(867.13)	6,941.54
(689,892.74)	18,881,305.86
15,590,617.83	(11,971,954.02)
1,938,959.93	(27,231,025.45)
<u>(509,413,729.41)</u>	<u>(163,721,738.67)</u>
<u>(520,858,036.39)</u>	<u>(174,343,561.07)</u>
450,147.75	1,953,069.75
<u>450,147.75</u>	<u>1,953,069.75</u>

TEXAS GENERAL LAND OFFICE
VETERANS' LAND BOARD

NOTES TO THE FINANCIAL STATEMENTS

UNAUDITED ANNUAL FINANCIAL REPORT
AUGUST 31, 2023



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 Annual Comprehensive 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 principal 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.

Coastal Erosion Response Fund (GAAP Fund Type 01)

The coastal erosion response fund (Fund 5176) receives monies from the sale of dredged material, penalties related to public beach structures and sand dunes, and two percent of hotel taxes received from coastal counties in the state. Money from the account may be appropriated only to GLO for the implementation and administration of the coastal management plan.

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.

Child Support Employee Deductions Offset Account Fund (GAAP Fund Type 01)

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.

Departmental Suspense (GAAP Fund Type 01)

The departmental suspense fund (Fund 0900) serves as a clearing account to distribute financial resources to other funds of the agency.

Correction Account for Direct Deposit (GAAP Fund Type 01)

The correction account for direct deposit (Fund 0980) holds money returned by financial institutions which had been transmitted for direct deposit where problems prevented credit being given to individual depositors.

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 (GAAP Fund Type 22)

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.

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 2023 for the production months August 2023 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, 2023.

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, 2023, is presented in **Table 1**. Changes in capital assets for business-type activities are presented in **Table 2**. The General Land Office maintains a historical archive collection held for public exhibition, education, and public service that are excluded in the aforementioned tables. The collection includes approximately 43,273 maps and sketches and 36.75 million small format documents, 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 and mineral or royalty interests on that land; to acquire real property holdings; 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 property holdings, 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.

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.,

Table 1

CHANGES IN CAPITAL ASSETS

For the Year Ended August 31, 2023

GOVERNMENTAL ACTIVITIES	Balance 9/1/2022	Adjustments	Reclassifications			Additions	Deletions	Balance 8/31/2023
			Completed CIP	Incr-Int'agy Transfers	Decr-Int'agy Transfers			
<i>Non-depreciable Assets</i>								
Land and Land Improvements	7,214,800.19	7,866.68		23,800.00		6,779,722.57	(31,666.68)	13,994,522.76
Construction in Progress	21,315,316.87	(3,620,183.00)	(2,575,311.00)			22,053,369.02		37,173,191.89
Other Capital Assets	16,395,515.84					69,885.75		16,465,401.59
Total Non-depreciable Assets	44,925,632.90	(3,612,316.32)	(2,575,311.00)	23,800.00	0.00	28,902,977.34	(31,666.68)	67,633,116.24
<i>Depreciable Assets</i>								
Buildings and Building Improvements	74,158,239.12		2,575,311.00			7,037,689.17		83,771,239.29
Furniture and Equipment	7,150,403.98	56,974.81				209,881.62	(254,810.87)	7,162,449.54
Vehicles, Boats, and Aircraft	7,511,675.25					738,304.53	(580,514.92)	7,669,464.86
Other Capital Assets	139,228.00					309,575.75		448,803.75
Facilities and Other Improvements	5,690,395.61					254,278.00		5,944,673.61
Total Depreciable Assets at Historical Costs	94,649,941.96	56,974.81	2,575,311.00	0.00	0.00	8,549,729.07	(835,325.79)	104,996,631.05
<i>Less Accumulated Depreciation for:</i>								
Buildings and Building Improvements	(42,371,146.35)					(2,683,997.95)		(45,055,144.30)
Furniture and Equipment	(5,631,942.99)	2,685.85				(464,456.34)	253,945.19	(5,839,768.29)
Vehicles, Boats, and Aircraft	(6,530,776.75)					(401,670.21)	550,433.17	(6,382,013.79)
Other Capital Assets	(31,939.44)					(36,149.47)		(68,088.91)
Facilities and Other Improvements	(1,060,804.54)					(309,215.10)		(1,370,019.64)
Total Accumulated Depreciation	(55,626,610.07)	2,685.85	0.00	0.00	0.00	(3,895,489.07)	804,378.36	(58,715,034.93)
Depreciable Assets, Net	39,023,331.89	59,660.66	2,575,311.00	0.00	0.00	4,654,240.00	(30,947.43)	46,281,596.12
<i>Amortizable Assets - Intangibles</i>								
Intangible Computer Software	954,687.96	(172,924.18)						781,763.78
Total Amortizable Assets - Intangibles at Historical Costs	954,687.96	(172,924.18)	0.00	0.00	0.00	0.00	0.00	781,763.78
<i>Less Accumulated Amortization for</i>								
Intangible Computer Software	(954,687.96)	172,924.18						(781,763.78)
Total Accumulated Amortization	(954,687.96)	172,924.18	0.00	0.00	0.00	0.00	0.00	(781,763.78)
Amortizable Assets - Intangibles, Net	(0.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Governmental Activities Capital Assets, Net	83,948,964.79	(3,552,655.66)	0.00	23,800.00	0.00	33,557,217.34	(62,614.11)	113,914,712.36
<i>GOVERNMENTAL ACTIVITIES</i>								
Right to Use Assets								
Right to Use Asset - Buildings	10,668,311.47					10,671,851.66		21,340,163.13
Less Accumulated Amortization	(5,074,264.61)					(2,916,247.66)		(7,990,512.27)
Total Right to Use Assets	5,594,046.86	0.00	0.00	0.00	0.00	7,755,604.00	0.00	13,349,650.86

§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 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.

Table 2

CHANGES IN CAPITAL ASSETS

For the Year Ended August 31, 2023

BUSINESS-TYPE ACTIVITIES	Balance 9/1/2022	Adjustments	Reclassifications			Additions	Deletions	Balance 8/31/2023
			Completed CIP	Incr-Int'gy Transfers	Decr-Int'gy Transfers			
<i>Non-depreciable Assets</i>								
Land and Land Improvements	5,839,500.00							5,839,500.00
Construction in Progress	13,943,473.42	(373,862.03)				15,823,340.47		29,392,951.86
Total Non-depreciable Assets	19,782,973.42	(373,862.03)	0.00	0.00	0.00	15,823,340.47	0.00	35,232,451.86
<i>Depreciable Assets</i>								
Buildings and Building Improvements	170,315,654.41					1,295,722.40		171,611,376.81
Facilities and Other Improvements	22,963.00							22,963.00
Furniture and Equipment	1,432,500.33	104,436.00				181,675.19	(22,448.27)	1,696,163.25
Total Depreciable Assets at Historical Costs	171,771,117.74	104,436.00	0.00	0.00	0.00	1,477,397.59	(22,448.27)	173,330,503.06
<i>Less Accumulated Depreciation for:</i>								
Buildings and Building Improvements	(90,106,079.79)					(6,147,811.17)		(96,253,890.96)
Facilities and Other Improvements	(12,437.10)					(1,148.04)		(13,585.14)
Furniture and Equipment	(873,524.97)	(4,443.78)				(179,578.29)	22,448.27	(1,035,098.77)
Total Accumulated Depreciation	(90,992,041.86)	(4,443.78)	0.00	0.00	0.00	(6,328,537.50)	22,448.27	(97,302,574.87)
Depreciable Assets, Net	80,779,075.88	99,992.22	0.00	0.00	0.00	(4,851,139.91)	0.00	76,027,928.19
<i>Amortizable Assets - Intangibles</i>								
Intangible Computer Software	215,649.49	(215,649.49)						0.00
Total Amortizable Assets - Intangibles at Historical Costs	215,649.49	(215,649.49)	0.00	0.00	0.00	0.00	0.00	0.00
<i>Less Accumulated Amortization for</i>								
Intangible Computer Software	(215,649.49)	215,649.49						0.00
Total Accumulated Amortization	(215,649.49)	215,649.49	0.00	0.00	0.00	0.00	0.00	0.00
Amortizable Assets - Intangibles, Net	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Business-Type Activities Capital Assets, Net	100,562,049.30	(273,869.81)	0.00	0.00	0.00	10,972,200.56	0.00	111,260,380.05

DEPOSITS

Carrying amounts of bank accounts at August 31, 2023, are listed in **Table 3**. These amounts consist of cash and cash equivalents in local banks. These amounts are included on the Combined Balance Sheet/Statement of 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.

The agency does not have a policy for custodial credit risk nor are any of its deposits at August 31, 2023 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

Table 3

DEPOSITS	
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES	
Cash in Bank - Carrying Amount	\$ 346,333.68
Cash in Bank per AFR	\$ 346,333.38
Current Assets Cash in Bank	\$ 346,333.68

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 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 (GNMA) 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 Statement 31 and GASB Statement 72. The VLB's written Investment Policy Statement (IPS) permits the director of Bond Funds Management 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 director of Bond Funds Management, a "prudent person" standard. The IPS dictates certain portfolio diversification requirements and instructs the director of Bond Funds Management 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.

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.

Custodial Credit Risk. There was no custodial credit risk at August 31, 2023, 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.

As of August 31, 2023, 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 \$1,142,262,570.09; the fair value of the total portfolio of investments in the State of Texas David A. Gloier Texas State Veterans Homes Program was \$96,204,329.41. 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, 2023, can be found in **Table 4**.

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, and real property holdings. Investments of the PSF/SLB are reported at fair value and are summarized in **Table 5**.

The SLB's written investment policy statement (Investment Policy) authorizes the investment of money in the RESFA. It is currently being revised for SLB approval based on amendments to the Texas Natural Resources Code.

The Investment Policy authorizes an Investment Advisory Committee (IAC) to review potential real property holdings and

make recommendations to the SLB for the investment of money in the RESFA. The current IAC is comprised of six members, chaired by the senior deputy director for Asset Enhancement 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, and real property holdings, in a manner that seeks to maximize returns within the framework of the prudent investor standard.

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.

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 4

INVESTMENT PORTFOLIOS AT FAIR VALUE
Business-Type Activities
As of August 31, 2023

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	\$	\$	\$	\$	\$
Money Market Mutual Fund	13,184,163.52				13,184,163.52
Investment Derivative Instruments		98,936.97			98,936.97
International Obligations		2,000,000.00			2,000,000.00
Total Investments	13,184,163.52	2,098,936.97	0.00	0.00	15,283,100.49 ⁽¹⁾
Cash in State Treasury ⁽²⁾					1,142,262,570.09
Total Investments and Cash in State Treasury					1,157,545,670.58
Consisting of the following:					
Cash Equivalents					13,184,163.52
Noncurrent Investments					2,000,000.00
Total Investments per Exhibits					15,184,163.52
VETERANS HOMES PROGRAMS					
Cash in State Treasury ⁽²⁾					96,185,252.45
Total Investments and Cash in State Treasury					96,185,252.45

⁽¹⁾ Includes \$9,841,744.58 and \$18,582,234.81 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.

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 \$6,567,576,481.01.

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 18,473 active Proved Developed Producing (PDP) wells with an estimated discounted future net revenue value of \$4,101,831,162.20; 390 Proved Undeveloped (PUD) locations with an estimated discounted future net revenue value of \$750,954,856.94; 1,410 Probable Undeveloped (PROB) locations with an estimated discounted future net revenue value of \$1,371,382,486.22; 328 Possible Undeveloped (POSS) locations with an estimated discounted future net revenue value of \$218,153,829.15; and 190 Contingent Resources (CONT) locations with an estimated discounted future net revenue value of \$125,254,146.50. For Proved Reserves, there should be at least a 90 percent probability that the quantities recovered will equal or exceed the estimate; for Probable Reserves, there should be at

Table 5

INVESTMENT PORTFOLIO AT FAIR VALUE

As of August 31, 2023

PERMANENT SCHOOL FUND	Fair Value Hierarchy			Fair Value
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	
Investment Type				
Investments in Real Assets				
Sovereign Lands			276,140,087.94	276,140,087.94
Discretionary Internal Investments			264,329,919.76	264,329,919.76
Other Lands			167,970,369.24	167,970,369.24
Minerals ^{(1), (2)}			5,435,619,031.18 ⁽⁵⁾	5,435,619,031.18
Total Investments ⁽³⁾	0.00	0.00	6,144,059,408.12	6,144,059,408.12
Cash in State Treasury ⁽⁴⁾				508,381,807.24
Total Investments and Cash in State Treasury				6,652,441,215.36
Consisting of the following:				
Noncurrent Investments				6,144,059,408.12
Total Investments per Exhibits				6,144,059,408.12

⁽¹⁾ Historical cost of investments at August 31, 2023 was: Sovereign Lands \$838,776.71; Discretionary Internal Investments \$129,728,504.04; Other Lands \$38,241,863.70; and Minerals \$13,437,063.73.

⁽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.

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 2023 *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 0.39; Possible reserves are adjusted using a factor of 0.22; Contingent resources are excluded. The risk-adjusted mineral reserve valuation is \$5,435,619,031.18.

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 5**.

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 2023, the VLB entered into no reverse repurchase agreements. As of August 31, 2023, 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. Because the loans were terminable at will, their duration did not generally match the duration of the investments made with cash collateral. As of August 31, 2023, VLB was not a party to any securities lending transactions and had no credit risk exposure to any borrowers.

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.

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.

Note 5

LONG-TERM LIABILITIES

The changes noted in **Table 6** below occurred in long-term liabilities during the year ended August 31, 2023.

BONDS PAYABLE

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

Table 6

CHANGES IN LONG-TERM LIABILITIES

For the Year Ended August 31, 2023

	Balance			Balance		
	09-01-2022	Additions	Deductions	08-31-2023	Amounts Due Within One Year	Amounts Due Thereafter
GOVERNMENTAL ACTIVITIES						
Employees' Compensable Leave	\$ 8,257,161.30	\$ 8,418,625.89	\$ 6,711,371.97	\$ 9,964,415.22	\$ 5,459,293.89	\$ 4,505,121.33
Right to Use Lease Obligation	4,589,605.10 ⁽¹⁾	10,671,851.66	3,168,268.00	12,093,188.76	3,161,143.84	8,932,044.92
Total, Governmental Activities	12,846,766.40	19,090,477.55	9,879,639.97	22,057,603.98	8,620,437.73	13,437,166.25
BUSINESS-TYPE ACTIVITIES						
General Obligation Bonds Payable	2,993,445,000.00	500,000,000.00	266,095,000.00	3,227,350,000.00	250,465,000.00	2,976,885,000.00
Total, Business-Type Activities	2,993,445,000.00	500,000,000.00	266,095,000.00	3,227,350,000.00	250,465,000.00	2,976,885,000.00
Total, Governmental and Business-Type Activities	3,006,291,766.40	519,090,477.55	275,974,639.97	3,249,407,603.98	259,085,437.73	2,990,322,166.25

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.

RIGHT TO USE LEASE OBLIGATIONS

Right to use lease liabilities are measured at the present value of payments expected to be made during the lease term. The liability is reduced as payments are made. Leases are described in detail in Note 8.

RIGHT TO USE SUBSCRIPTION OBLIGATIONS

Not applicable.

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 in general obligation bond authorization has been granted. **Table 7** 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, of which \$772,650,000 remains unissued.

BONDS ISSUED

GENERAL OBLIGATIONS BONDS

During fiscal year 2023, 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 2023

Issue Date: April 20, 2023
 Sr. Manager: Jefferies
 True Interest Cost: Variable-Rate
 Net Proceeds: \$249,670,750.00
 Costs of Issuance: \$329,750.00

\$250,000,000 State of Texas Veterans Bonds, Taxable Series 2023A

Issue Date: July 20, 2023
 Sr. Manager: Morgan Stanley
 True Interest Cost: Variable-Rate
 Net Proceeds: \$249,665,212.19
 Costs of Issuance: \$334,787.81

The Series 2023 and Taxable Series 2023A 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

Table 7

GENERAL OBLIGATION BONDS

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 ⁽¹⁾	Amount Authorized
\$ (83,080,000)	Outstanding balance (Land)
\$ (3,144,270,000)	Outstanding balance (Housing)
<u>\$ 772,650,000</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.

described below. A summary of the liquidity agreements has been provided in **Table 8**.

\$15,225,000 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. 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 11, 2026. The liquidity provider receives an annual fee of 0.32 percent. As of August 31, 2023, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$21,245,000 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. 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 22, 2028. The liquidity provider receives an annual fee of 0.35 percent. As of August 31, 2023, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$9,745,000 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. 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 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, 2028. The liquidity provider receives an annual fee of 0.35 percent. As of August 31, 2023, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$24,995,000 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. 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 11, 2026. The liquidity provider receives an annual fee of 0.32 percent. As of August 31, 2023, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$13,480,000 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

Table 8

VETERANS LAND BOARD LIQUIDITY FACILITIES

As of August 31, 2023

Liquidity Provider	Bond Transaction	Available Principal Commitment at 8-31-2023	Liquidity Agreement Expiration Date
TD Bank, N.A.	Vet Bonds Series 2016	135,305,000.00	12-18-2024
		135,305,000.00	
Federal Home Loan Bank of Dallas	Vet Bonds Series 2014D	63,285,000.00	11-01-2027
	Vet Bonds Series 2015B	85,320,000.00	11-01-2027
	Vet Bonds Series 2018	178,290,000.00	06-27-2028
	Vet Bonds Series 2011C	41,965,000.00	12-18-2024
	Vet Bonds Series 2020	207,755,000.00	01-09-2025
	Vet Bonds Series 2021	226,255,000.00	01-13-2026
		802,870,000.00	
State Street Bank and Trust Company	Vet Land Bds Ser 2002	9,745,000.00	07-24-2028
	Vet Hsg Fund II Series 2008B	23,405,000.00	07-24-2028
	Vet Hsg Fund II Series 2010C	40,970,000.00	07-24-2028
	Vet Hsg Fund II Series 2001C-2	21,245,000.00	09-22-2028
	Vet Hsg Fund II Series 2004A	14,285,000.00	09-22-2028
	Vet Hsg Fund II Series 2005A	16,270,000.00	09-22-2028
	Vet Hsg Fund II Series 2005B	16,120,000.00	09-22-2028
	Vet Hsg Fund II Series 2007A	21,085,000.00	09-22-2028
	Vet Hsg Fund II Series 2008A	22,320,000.00	09-22-2028
	Vet Bonds Series 2012A	41,280,000.00	09-22-2028
	Vet Hsg Fund II Series 2001A-2	15,225,000.00	11-11-2026
	Vet Hsg Fund II Series 2002A-2	24,995,000.00	11-11-2026
	Vet Hsg Fund II Series 2003A	13,480,000.00	11-13-2028
	Vet Hsg Fund II Series 2003B	14,460,000.00	11-13-2028
	Vet Hsg Fund II Series 2004B	16,495,000.00	11-13-2028
	Vet Hsg Fund II Series 2006A	19,525,000.00	11-11-2026
	Vet Hsg Fund II Series 2006D	20,325,000.00	11-11-2026
	Vet Hsg Fund II Series 2007B	21,440,000.00	11-11-2026
	Vet Bonds Series 2011A	40,345,000.00	11-11-2026
	Vet Bonds Series 2011B	41,200,000.00	11-11-2026
	Vet Bonds Series 2012B	53,390,000.00	11-13-2028
	Vet Bonds Series 2013A	60,005,000.00	11-13-2028
	Vet Bonds Series 2013B	89,655,000.00	11-14-2025
	Vet Bonds Series 2014A	93,260,000.00	11-14-2025
	Vet Bonds Series 2015A	80,525,000.00	11-13-2028
	Vet Bonds Series 2023	250,000,000.00	04-19-2030
		1,081,050,000.00	
Sumitomo Mitsui Banking Corporation	Vet Bonds Series 2017	149,470,000.00	01-15-2027
	Vet Bonds Series 2022	248,090,000.00	06-28-2027
		397,560,000.00	
JP Morgan	Vet Bonds Series 2019	194,250,000.00	04-10-2024
		194,250,000.00	
Texas Comptroller of Public Accounts	Vet Bonds Taxable Series 2023A	250,000,000.00	08-31-2025
		250,000,000.00	
Grand Total		2,861,035,000.00	

aggregate principal amount of \$50,000,000. 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 13, 2028. The liquidity provider receives an annual fee of 0.35 percent. As of August 31, 2023, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$14,460,000 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. 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 13, 2028. The liquidity provider receives an annual fee of 0.35 percent. As of August 31, 2023, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$14,285,000 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. 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 22, 2028. The liquidity provider receives an annual fee of 0.35 percent. As of August 31, 2023, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$16,495,000 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. 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 13, 2028. The liquidity provider

receives an annual fee of 0.35 percent. As of August 31, 2023, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$16,270,000 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. 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 22, 2028. The liquidity provider receives an annual fee of 0.35 percent. As of August 31, 2023, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$16,120,000 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. 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 22, 2028. The liquidity provider receives an annual fee of 0.35 percent. As of August 31, 2023, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$19,525,000 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. 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 11, 2026. The liquidity provider receives an annual fee of 0.32 percent. As of August 31, 2023, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$20,325,000 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. 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 11, 2026. The liquidity provider receives an annual fee of 0.32 percent. As of August 31, 2023, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$21,085,000 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. 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 22, 2028. The liquidity provider receives an annual fee of 0.35 percent. As of August 31, 2023, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$21,440,000 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. 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 11, 2026. The liquidity provider receives an annual fee of 0.32 percent. As of August 31, 2023, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$22,320,000 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. 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 22, 2028. The liquidity provider receives an annual fee of 0.35 percent. As of August 31, 2023, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$23,405,000 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. 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, 2028. The liquidity provider receives an annual fee of 0.35 percent. As of August 31, 2023, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$40,970,000 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. 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, 2028. The liquidity provider

receives an annual fee of 0.35 percent. As of August 31, 2023, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$40,345,000 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. 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 11, 2026. The liquidity provider receives an annual fee of 0.32 percent. As of August 31, 2023, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$41,200,000 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. 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 11, 2026. The liquidity provider receives an annual fee of 0.32 percent. As of August 31, 2023, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$41,965,000 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. 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, 2023, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$41,280,000 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. 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 22, 2028. The liquidity provider receives an annual fee of 0.35 percent. As of August 31, 2023, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$53,390,000 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. 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 13, 2028. The liquidity provider receives an annual fee of 0.35 percent. As of August 31, 2023, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$60,005,000 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. 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 13, 2028. The liquidity provider receives an annual fee of 0.35 percent. As of August 31, 2023, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$89,655,000 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. 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, 2023, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$93,260,000 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. 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, 2023, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$63,285,000 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. 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, 2027. The liquidity provider receives an annual fee of 0.20 percent. As of August 31, 2023, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$80,525,000 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. 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 13, 2028. The liquidity provider receives an annual fee of 0.35 percent. As of August 31, 2023, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$85,320,000 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. 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, 2027. The liquidity provider receives an annual fee of 0.20 percent. As of August 31, 2023, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$135,305,000 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. 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, 2023, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$149,470,000 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. 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 15, 2027. The liquidity provider receives an annual fee of 0.30 percent. As of August 31, 2023, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$178,290,000 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. 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, 2023, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$194,250,000 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. 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, 2023, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$207,755,000 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. 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, 2023, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$226,255,000 State of Texas Veterans Bonds, Series 2021

The bonds were issued pursuant to a resolution adopted by the board on August 13, 2020, in the original aggregate principal amount of \$250,000,000. 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 January 13, 2026. The liquidity provider receives an annual fee of 0.20 percent. As of August 31, 2023, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$248,090,000 State of Texas Veterans Bonds, Series 2022

The bonds were issued pursuant to a resolution adopted by the board on August 5, 2021, in the original aggregate principal amount of \$250,000,000. 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 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 June 28, 2027. The liquidity provider receives an annual fee of 0.30 percent. As of August 31, 2023, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$250,000,000 State of Texas Veterans Bonds, Series 2023

The bonds were issued pursuant to a resolution adopted by the board on July 29, 2022, in the original aggregate principal amount of \$250,000,000. 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 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 April 19, 2030. The liquidity provider receives an annual fee of 0.35 percent. As of August 31, 2023, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

\$250,000,000 State of Texas Veterans Bonds, Taxable Series 2023A

The bonds were issued pursuant to a resolution adopted by the board on April 25, 2023, in the original aggregate principal amount of \$250,000,000. 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, Morgan Stanley, 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 Texas Comptroller of Public Accounts, 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 August 31, 2025. The liquidity provider receives an annual fee of 0.12 percent. As of August 31, 2023, there were no purchased bonds held by the liquidity provider under the terms of the liquidity agreement.

ADMINISTRATION OF LOAN PROGRAMS

Under the Veterans’ Land Program, eligible veterans may qualify for a loan of up to \$150,000 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, 2023 was 6.95 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 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. 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. 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. 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. The voters approved this amendment on November 6, 2001.

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 \$726,200. 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. Interest rates for these loans are currently determined in the same manner and at the same spread as described above.

Nationstar DBA as Mr. Cooper Mortgage is currently the master servicer of the Veterans’ Housing Assistance Program. Housing loans are originated by and serviced through qualified lending institutions participating in the program. Gateway Mortgage Group serves as administrator for 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.

Table 9

BOND COVENANT RESERVE REQUIREMENTS

Reserve Type	Reserve Requirement	Investments at Fair Value
	\$	\$
General Obligation Bonds - Self-Supporting		
Veterans' Housing Fund I Bond Reserve	9,156,206.19 ⁽¹⁾	9,841,744.58 ⁽²⁾
Veterans' Housing Assistance Fund I Mortgage Reserve	7,500,000.00 ⁽³⁾	18,582,234.81 ⁽⁴⁾
Total, General Obligation Bonds - Self-Supporting	16,656,206.19	28,423,979.39
Total, All Bonds	16,656,206.19	28,423,979.39

⁽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, 2023.

⁽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, 2023.

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 2023. A summary of bonds outstanding, at August 31, 2023, and the issue and final maturity dates are presented in **Table 10**.

DEBT SERVICE REQUIREMENTS

Schedules 2-C and 2-D present principal and interest due on bonds from the period of September 1, 2023, through final maturity on December 1, 2054. 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 fund requirements and the reserve fund balances at August 31, 2023, are presented in **Table 9**.

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Table 10

OUTSTANDING BONDS

Issue	Issue Date	Final Maturity Date	Bonds Outstanding 08-31-2023
			\$
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	15,225,000.00
Vet Hsg Fund II Bds Ser 2001C-2	12-18-2001	12-01-2033	21,245,000.00
Vet Hsg Fund II Bds Ser 2002A-2	07-10-2002	06-01-2033	24,995,000.00
Vet Hsg Fund II Bds Ser 2003A	03-04-2003	06-01-2034	13,480,000.00
Vet Hsg Fund II Bds Ser 2003B	10-22-2003	06-01-2034	14,460,000.00
Vet Hsg Fund II Bds Ser 2004A	04-07-2004	12-01-2034	14,285,000.00
Vet Hsg Fund II Bds Ser 2004B	09-15-2004	12-01-2034	16,495,000.00
Vet Hsg Fund II Bds Ser 2005A	02-24-2005	06-01-2035	16,270,000.00
Vet Hsg Fund II Bds Ser 2005B	08-09-2005	06-01-2036	16,120,000.00
Vet Hsg Fund II Bds Ser 2006A	06-01-2006	12-01-2036	19,525,000.00
Vet Hsg Fund II Bds Ser 2006D	09-20-2006	12-01-2036	20,325,000.00
Vet Hsg Fund II Bds Ser 2007A	02-22-2007	06-01-2037	21,085,000.00
Vet Hsg Fund II Bds Ser 2007B	06-26-2007	06-01-2038	21,440,000.00
Vet Hsg Fund II Bds Ser 2008A	03-26-2008	12-01-2028	22,320,000.00
Vet Hsg Fund II Bds Ser 2008B	09-11-2008	12-01-2038	23,405,000.00
Veterans Bonds Series 2010C	08-20-2010	12-01-2031	40,970,000.00
Veterans Bonds Series 2011A	03-09-2011	06-01-2041	40,345,000.00
Veterans Bonds Series 2011B	08-25-2011	12-01-2041	41,200,000.00
Veterans Bonds Series 2011C	12-15-2011	06-01-2042	41,965,000.00
Veterans Bonds Series 2012A	05-23-2012	12-01-2042	41,280,000.00
Veterans Bonds Series 2012B	11-01-2012	12-01-2042	53,390,000.00
Veterans Bonds Series 2013A	03-20-2013	06-01-2043	60,005,000.00
Veterans Bonds Series 2013B	08-22-2013	12-01-2043	89,655,000.00
Veterans Bonds Tax Ref Ser 2013C	10-24-2013	06-01-2031	158,110,000.00
Veterans Bonds Ser 2014A	02-26-2014	06-01-2044	93,260,000.00
Veterans Bonds Tax Ref Ser 2014B-1	04-01-2014	12-01-2024	8,770,000.00
Veterans Bonds Tax Ref Ser 2014C-1	07-01-2014	12-01-2033	55,000,000.00
Veterans Bonds Tax Ref Ser 2014C-2	07-01-2014	12-01-2033	71,100,000.00
Veterans Bonds Ser 2014D	09-10-2014	06-01-2045	63,285,000.00
Veterans Bonds Ser 2015A	02-11-2015	06-01-2045	80,525,000.00
Veterans Bonds Ser 2015B	07-22-2015	06-01-2046	85,320,000.00
Veterans Bonds Ser 2016	01-21-2016	12-01-2046	135,305,000.00
Veterans Bonds Ser 2017	01-19-2017	12-01-2047	149,470,000.00
Veterans Bonds Ser 2018	06-28-2018	12-01-2049	178,290,000.00
Veterans Bonds Ser 2019	04-11-2019	06-01-2050	194,250,000.00
Veterans Bonds Ser 2020	01-09-2020	12-01-2050	207,755,000.00
Veterans Bonds Ser 2021	01-13-2021	12-01-2051	226,255,000.00
Veterans Bonds Ser 2022	06-29-2022	06-01-2053	248,090,000.00
Veterans Bonds Ser 2023	04-20-2023	06-01-2054	250,000,000.00
Veterans Bonds Tax Ref Ser 2023A	07-20-2023	12-01-2054	250,000,000.00
Total, Veterans' Housing Bonds			3,144,270,000.00
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	9,745,000.00
Vet Land Tax Ref Bds Ser 2014B-3	04-01-2014	12-01-2024	7,290,000.00
Vet Land Tax Ref Bds Ser 2014C-3	07-01-2014	12-01-2033	39,515,000.00
Vet Land Tax Ref Bds Ser 2014C-4	07-01-2014	12-01-2033	26,530,000.00
Total, Veterans' Land Bonds			83,080,000.00
Total, General Obligation Bonds - Self-Supporting			3,227,350,000.00

Note 7

DERIVATIVE INSTRUMENTS

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, 2023, the fair value of swaps determined to be effective cash flow hedging derivative instruments was \$140,449,019.39, and the change in fair value of those swaps during the fiscal year was \$113,342,966.73 as shown in **Table 11**.

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, 2023, the fair value of swaps determined to be derivative investments was \$98,936.97, and the change in fair value of those swaps during the fiscal year was \$339,030.16 as shown in **Table 11**.

PAY-FIXED, RECEIVE-VARIABLE INTEREST RATE SWAPS

Objective of the swaps. The board is currently a party to 53 pay-fixed, receive-variable interest rate swaps that are associated with 43 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. 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, 2023, are shown in **Table 12**.

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 One Month Fallback SOFR-to-SIFMA basis swap, and effectively converts the variable rate on the associated taxable variable-rate bond issue from a One Month Fallback SOFR (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.

Table 11

SUMMARY OF DERIVATIVE INSTRUMENTS

Investment Derivatives	Changes in Fair Value		Fair Value at August 31, 2023		Notional Amount
	Classification	Amount	Classification	Amount	
Basis Swaps	Investment Revenue	339,030.16	Investment	98,936.97	19,980,000.00
Total,		339,030.16		98,936.97	19,980,000.00
Investment Derivatives					
Cash Flow Hedges					
Pay-Fixed, Receive-Variable Interest Rate Swaps	Deferred Outflow	29,400,865.99	Debt	(20,199,866.30)	458,155,000.00
Interest Rate Swaps	Deferred Inflow	83,942,100.74	Debt	160,648,885.69	2,599,870,000.00
Total,		113,342,966.73		140,449,019.39	3,058,025,000.00
Cash Flow Hedges					
Total,		113,681,996.89		140,547,956.36	3,078,005,000.00
Business-Type Activities					

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Texas General Land Office and Veterans' Land Board

Table 12

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	15,225,000	03/22/2001	4.2590%	68% of USD-Fallback-SOFR-1M
Vet Hsg Fund II Bds Ser 2001C-2	21,245,000	12/18/2001	4.3650%	68% of USD-Fallback-SOFR-1M
Vet Land Bds Ser 2002	9,745,000	02/21/2002	4.1400%	68% of USD-Fallback-SOFR-1M
Vet Hsg Fund II Bds Ser 2002A-2	22,040,000	07/10/2002	3.8725%	68% of USD-Fallback-SOFR-1M
Vet Hsg Fund II Bds Ser 2003A	13,480,000	03/04/2003	3.3040%	68% of USD-Fallback-SOFR-1M
Vet Hsg Fund II Bds Ser 2003B	14,460,000	10/22/2003	3.4030%	64.5% of USD-Fallback-SOFR-1M
Vet Hsg Fund II Bds Ser 2004B	16,495,000	09/15/2004	3.6800%	68% of USD-Fallback-SOFR-1M
Vet Hsg Fund II Bds Ser 2005A	16,270,000	02/24/2005	3.2790%	68% of USD-Fallback-SOFR-1M
Vet Hsg Fund II Bds Ser 2006A	19,525,000	06/01/2006	3.5170%	68% of USD-Fallback-SOFR-1M
Vet Hsg Fund II Bds Ser 2006D	20,325,000	09/20/2006	3.6890%	68% of USD-Fallback-SOFR-1M
Vet Hsg Fund II Bds Ser 2007A	21,085,000	02/22/2007	3.6450%	68% of USD-Fallback-SOFR-1M
Vet Hsg Fund II Bds Ser 2007B	21,440,000	06/26/2007	3.7120%	68% of USD-Fallback-SOFR-1M
Vet Hsg Fund II Bds Ser 2008A	22,320,000	03/26/2008	3.1890%	68% of USD-Fallback-SOFR-1M
Vet Hsg Fund II Bds Ser 2008B	23,405,000	09/11/2008	3.2250%	68% of USD-Fallback-SOFR-1M
Vet Bds Ser 2010C	40,970,000	08/20/2010	2.3095%	68% of USD-Fallback-SOFR-3M
Vet Bds Ser 2011A	40,345,000	03/09/2011	2.6750%	68% of USD-SOFR-Compound + .1779%
Vet Bds Ser 2011B	41,200,000	08/25/2011	2.3670%	68% of USD-SOFR-Compound + .1779%
Vet Bds Ser 2011C	41,965,000	12/15/2011	1.9170%	68% of USD-Fallback-SOFR-3M
Vet Bds Ser 2012A	41,280,000	05/23/2012	1.6920%	68% of USD-Fallback-SOFR-3M
Vet Bds Ser 2012B	53,390,000	11/01/2012	1.4470%	68% of USD-Fallback-SOFR-3M
Vet Bds Ser 2013A	60,005,000	03/20/2013	1.7000%	68% of USD-Fallback-SOFR-3M
Vet Bds Ser 2013B	89,655,000	08/22/2013	2.1450%	68% of USD-Fallback-SOFR-1M
Vet Hsg Fund II Tax Ref Bds Ser 2013C	14,505,000	12/01/2006	5.4610%	100% of USD-Fallback-SOFR-1M
Vet Hsg Fund II Tax Ref Bds Ser 2013C	24,360,000	12/01/2007	4.6580%	100% of USD-Fallback-SOFR-1M
Vet Hsg Fund II Tax Ref Bds Ser 2013C	36,745,000	12/01/2009	5.4525%	100% of USD-Fallback-SOFR-6M
Vet Bds Ser 2014A	93,260,000	03/03/2014	2.1790%	68% of USD-Fallback-SOFR-1M
Vet Hsg Fund I Tax Ref Bds Ser 2014B-1	4,215,000	06/01/2004	5.4500%	100% of USD-Fallback-SOFR-6M
Vet Hsg Fund I Tax Ref Bds Ser 2014B-1	1,600,000	12/01/2005	4.9290%	100% of USD-Fallback-SOFR-1M
Vet Hsg Fund I/II Tax Ref Bds Ser 2014B-1 & C-2	6,735,000	12/01/2005	5.1450%	100% of USD-Fallback-SOFR-1M
Vet Land Tax Ref Bds Ser 2014B-3	7,290,000	12/01/2005	6.5170%	100% of USD-Fallback-SOFR-6M
Vet Hsg Fund I Tax Ref Bds Ser 2014C-1	14,985,000	08/01/2012	3.7600%	68% of USD-Fallback-SOFR-1M
Vet Hsg Fund II Tax Ref Bds Ser 2014C-2	13,555,000	06/01/2006	5.8300%	100% of USD-Fallback-SOFR-1M
Vet Hsg Fund II Tax Ref Bds Ser 2014C-2	7,830,000	06/01/2006	5.7900%	100% of USD-Fallback-SOFR-6M
Vet Hsg Fund II Tax Ref Bds Ser 2014C-1 & C-2	39,755,000	06/01/2010	5.4010%	100% of USD-Fallback-SOFR-1M
Vet Hsg Fund II Tax Ref Bds Ser 2014C-1 & C-2	12,710,000	12/01/2010	2.7900%	100% of USD-Fallback-SOFR-1M
Vet Land Tax Ref Bds Ser 2014C-3	10,645,000	06/01/2006	6.5400%	100% of USD-Fallback-SOFR-6M
Vet Land Tax Ref Bds Ser 2014C-3	8,890,000	12/01/2010	5.2090%	100% of USD-Fallback-SOFR-1M
Vet Land Tax Ref Bds Ser 2014C-4	1,290,000	12/01/2003	5.1230%	100% of USD-Fallback-SOFR-1M
Vet Land Tax Ref Bds Ser 2014C-4	3,825,000	12/01/2004	5.4550%	100% of USD-Fallback-SOFR-6M
Vet Land Tax Ref Bds Ser 2014C-4	7,215,000	06/01/2006	4.6100%	100% of USD-Fallback-SOFR-6M
Vet Land Tax Ref Bds Ser 2014C-4	14,200,000	12/01/2006	6.5130%	100% of USD-Fallback-SOFR-1M
Vet Bds Ser 2014D	63,285,000	09/10/2014	1.9395%	68% of USD-SOFR-Compound + .07785%
Vet Bds Ser 2015A	80,525,000	02/11/2015	1.5100%	68% of USD-SOFR-Compound + .07785%
Vet Bds Ser 2015B	85,320,000	07/22/2015	1.7710%	68% of USD-Fallback-SOFR-1M
Vet Bds Ser 2016	135,305,000	12/01/2016	1.5640%	68% of USD-Fallback-SOFR-1M
Vet Bonds Series 2017	149,470,000	08/01/2017	1.1750%	68% of USD-Fallback-SOFR-1M + 0.085%
Vet Bonds Series 2018	178,290,000	04/01/2019	2.0745%	72% of USD-SOFR-Compound + .08240%
Vet Bonds Series 2019	194,250,000	12/01/2019	1.8510%	65% of USD Fed Funds + 0.24%
Vet Bonds Series 2020	207,755,000	09/01/2020	1.0847%	65% of USD Fed Funds + 0.24%
Vet Bonds Series 2021	226,255,000	12/01/2021	0.6490%	66.5% of USD Fed Funds + 0.18%
Vet Bonds Series 2022	248,090,000	12/01/2023	2.0143%	65% of USD Fed Funds + 0.24%
Vet Bonds Series 2023	250,000,000	05/23/2023	2.6450%	65% of USD-SOFR + 0.24%
Vet Bonds Taxable Series 2023A	250,000,000	09/01/2023	3.6130%	100% of USD-SOFR
Total	\$ 3,058,025,000			

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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	(600,671.64)	12/01/2029	A/A2
N/A	N/A	N/A	N/A	(2,018,766.66)	12/01/2033	AA-/Aa2
N/A	N/A	N/A	N/A	(583,633.70)	12/01/2032	A-/A1
N/A	N/A	N/A	N/A	(1,240,603.16)	06/01/2033	A+/Aa2
N/A	N/A	N/A	N/A	(290,678.04)	06/01/2034	A+/Aa2
N/A	N/A	N/A	N/A	(411,380.85)	06/01/2034	AA-/Aa2
N/A	N/A	N/A	N/A	(689,257.92)	12/01/2034	A+/Aa2
N/A	N/A	N/A	N/A	(375,780.72)	06/01/2035	AA-/Aa2
N/A	N/A	N/A	N/A	(755,805.86)	12/01/2036	A+/Aa1
N/A	N/A	N/A	N/A	(1,003,203.58)	12/01/2036	A+/Aa3
N/A	N/A	N/A	N/A	(1,094,640.85)	06/01/2037	AA-/Aa2
N/A	N/A	N/A	N/A	(1,185,025.14)	06/01/2038	A+/Aa2
N/A	N/A	N/A	N/A	(531,670.30)	12/01/2038	A+/Aa1
N/A	N/A	N/A	N/A	(697,784.79)	12/01/2038	AA-/Aa2
N/A	N/A	N/A	N/A	1,321,912.12	12/01/2040	A-/A1
N/A	N/A	N/A	N/A	329,146.67	06/01/2041	AA-/Aa2
N/A	N/A	N/A	N/A	1,201,503.56	12/01/2041	AA-/Aa2
N/A	N/A	N/A	N/A	2,575,787.50	06/01/2042	AA-/Aa2
N/A	N/A	N/A	N/A	3,146,236.31	12/01/2042	AA-/Aa2
N/A	N/A	N/A	N/A	4,963,947.99	12/01/2042	AA-/Aa2
N/A	N/A	N/A	N/A	4,914,211.24	06/01/2043	AA-/Aa2
N/A	N/A	N/A	N/A	3,383,149.34	12/01/2043	AA-/Aa2
USD-Fallback-SOFR-1M >= 7.00%;	Mandatory	Periodic	2,652,000	(314,529.89)	12/01/2026	A+/Aa2
USD-Fallback-SOFR-6M > 4.00% and SIFMA/Fallback SOFR Ratio > 74%			1,017,500			
USD-Fallback-SOFR-1M >= 7.00%;	Mandatory	Periodic	934,700	(880,563.78)	06/01/2029	A+/Aa2
SIFMA/SY ISDA CMS > 71%			1,020,000			
USD-Fallback-SOFR-6M >= 7.00%	Mandatory	Periodic	2,740,000	(1,528,252.90)	06/01/2031	A+/Aa2
N/A	N/A	N/A	N/A	3,315,476.95	06/01/2044	A+/Aa2
USD-Fallback-SOFR-6M >= 7.00%	Mandatory	Periodic	1,442,000	6,236.86	12/01/2024	A+/Aa2
USD-Fallback-SOFR-1M >= 7.00%;	Mandatory	Periodic	484,000	(272.91)	12/01/2023	A+/Aa2
USD-Fallback-SOFR-6M > 4.00% and SIFMA/Fallback SOFR Ratio > 74%			267,000			
USD-Fallback-SOFR-1M >= 7.00%;	Mandatory	Periodic	1,367,000	(58,322.88)	06/01/2026	A+/Aa2
USD-Fallback-SOFR-6M > 4.00% and SIFMA/Fallback SOFR Ratio > 74%			566,500			
USD-Fallback-SOFR-6M >= 7.00%	Mandatory	Periodic	1,542,000	(83,523.57)	12/01/2026	A+/Aa2
USD-Fallback-SOFR-1M >= 7.00%	Mandatory	Periodic	578,750	(996,877.04)	12/01/2033	A+/Aa1
USD-Fallback-SOFR-1M >= 7.00%	Mandatory	Periodic	1,992,000	(225,689.37)	12/01/2026	A+/Aa2
USD-Fallback-SOFR-6M >= 7.00%	Mandatory	Periodic	1,493,000	(149,382.13)	12/01/2027	A+/Aa2
USD-Fallback-SOFR-1M >= 7.00%;	Mandatory	Periodic	2,355,000	(2,941,293.70)	12/01/2031	A+/Aa2
USD-Fallback-SOFR-6M > 4.00% and SIFMA/Fallback SOFR Ratio > 74%			1,427,000			
N/A	N/A	N/A	N/A	874,406.36	06/01/2032	AA-/Aa2
USD-Fallback-SOFR-6M >= 7.00%	Mandatory	Periodic	1,931,000	(419,866.86)	12/01/2027	A+/Aa2
USD-Fallback-SOFR-1M >= 7.00%;	Mandatory	Periodic	465,850	(478,275.38)	12/01/2030	A+/Aa2
USD-Fallback-SOFR-6M > 4.00% and SIFMA/Fallback SOFR Ratio > 74%			208,400			
USD-Fallback-SOFR-1M >= 7.00%	Mandatory	Periodic	1,896,000	1,861.70	12/01/2023	A+/Aa2
USD-Fallback-SOFR-6M >= 7.00%	Mandatory	Periodic	2,075,000	7,785.41	12/01/2024	A-/A1
USD-Fallback-SOFR-6M >= 7.00%	Mandatory	Periodic	886,000	69,835.84	12/01/2026	AA-/Aa2
USD-Fallback-SOFR-1M >= 7.00%	Mandatory	Periodic	2,725,000	(644,112.69)	12/01/2027	A+/Aa2
N/A	N/A	N/A	N/A	3,381,451.52	06/01/2045	AA-/Aa2
N/A	N/A	N/A	N/A	6,896,186.57	06/01/2045	AA-/Aa2
N/A	N/A	N/A	N/A	5,692,853.08	06/01/2046	A+/Aa2
N/A	N/A	N/A	N/A	9,019,256.73	12/01/2046	A+/Aa2
N/A	N/A	N/A	N/A	14,009,944.22	12/01/2047	A+/Aa3
N/A	N/A	N/A	N/A	8,696,623.16	12/01/2049	AA-/Aa2
N/A	N/A	N/A	N/A	10,475,165.78	06/01/2050	A+/Aa3
N/A	N/A	N/A	N/A	20,741,515.89	12/01/2050	A+/Aa3
N/A	N/A	N/A	N/A	28,730,252.59	12/01/2051	A+/A1
N/A	N/A	N/A	N/A	11,897,695.42	06/01/2053	AA-/Aa2
N/A	N/A	N/A	N/A	6,493,539.60	06/01/2054	AA-/Aa2
N/A	N/A	N/A	N/A	8,502,903.29	12/01/2054	AA-/Aa2
			\$ 32,065,700	\$ 140,449,019.39		

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, 2023, are shown in **Table 13**. 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 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, 2023, 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, 2023, 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 12** and in **Table 13**, the credit ratings of the board's counterparties range from AA- to A- by Standard & Poor's and Aa1 to A2 by Moody's Investors Service. The board also mitigates its concentration of credit risk by diversifying its swap portfolio across several different

Table 13

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	\$ 19,980,000	08/05/2002	131.25% of SIFMA	100% of 1M Fallback SOFR	\$ 98,936.97 ⁽¹⁾	12/01/2032	A-/A1
Total	19,980,000.00				98,936.97		

Table 14

ESTIMATED DEBT SERVICE REQUIREMENTS OF VARIABLE-RATE DEBT OUTSTANDING AND NET SWAP PAYMENTS - FISCAL YEAR 2023

Fiscal Year Ending August 31	Variable-Rate Bonds		Interest Rate Swaps, Net	Totals
	Principal	Interest		
2024	\$ 227,605,000.00	\$ 125,803,954.06	(49,240,746.64)	304,168,207.42
2025	248,685,000.00	120,655,261.57	(45,690,885.69)	323,649,375.88
2026	244,845,000.00	109,655,160.02	(41,920,464.36)	312,579,695.67
2027	231,425,000.00	98,733,543.85	(38,204,326.49)	291,954,217.36
2028	212,195,000.00	88,629,490.23	(34,703,694.34)	266,120,795.89
2029-2033	853,265,000.00	318,779,765.41	(128,512,141.11)	1,043,532,624.30
2034-2038	528,935,000.00	168,529,834.08	(71,409,309.55)	626,055,524.53
2039-2043	326,895,000.00	76,018,421.50	(32,393,408.42)	370,520,013.08
2044-2048	133,305,000.00	25,096,235.00	(10,025,107.28)	148,376,127.72
2049-2053	47,715,000.00	5,778,271.00	(1,962,004.06)	51,531,266.94
2054-2058	3,155,000.00	120,150.00	(35,700.75)	3,239,449.25
Total	3,058,025,000.00	1,137,800,086.73	(454,097,788.69)	3,741,727,298.05

counterparties. The board's currently outstanding swaps are spread among ten different counterparties, with no more than approximately 37 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. 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 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. Swaps can be structured to provide the counterparty with the option to terminate the swap under certain conditions at any time. If such a 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. As of August 31, 2023 there are no bonds that are exposed to such rollover risk.

Swap payments and associated debt. Using rates as of August 31, 2023, 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, as shown in **Table 15**. As rates and index relationship vary in the future, so will the resulting actual interest payments and net swap payments.

Table 15

PAY-VARIABLE, RECEIVE-VARIABLE SWAPS:				
ESTIMATED DEBT SERVICE REQUIREMENTS OF VARIABLE-RATE DEBT				
OUTSTANDING AND NET SWAP PAYMENTS				
Fiscal Year	Variable-Rate Bonds		Interest Rate Swaps, Net	Totals
	Ending August 31	Principal		
	\$	\$	\$	\$
2024	1,735,000.00	1,088,047.87	(618,227.26)	2,204,820.61
2025	1,845,000.00	986,145.67	(560,326.58)	2,270,819.10
2026	1,955,000.00	877,981.33	(498,867.75)	2,334,113.58
2027	2,080,000.00	763,127.88	(433,608.18)	2,409,519.70
2028	2,210,000.00	641,016.04	(364,224.41)	2,486,791.63
2029-2033	10,155,000.00	1,036,242.84	(588,791.72)	10,602,451.12
2034-2038	0.00	0.00	0.00	0.00
2039-2043	0.00	0.00	0.00	0.00
2044-2048	0.00	0.00	0.00	0.00
2049-2053	0.00	0.00	0.00	0.00
2054-2058	0.00	0.00	0.00	0.00
Total	19,980,000.00	5,392,561.64	(3,064,045.89)	22,308,515.74

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, 2023. Operating leases contain various renewal options, as well as some purchase options, escalation clauses, sublease rentals, and contingent rentals. Leases included as expenditures, expenses, and revenues reported in the financial statements follow the requirements as set forth in GASB Statement No. 87, *Leases*.

OPERATING LEASE EXPENSES & EXPENDITURE

Included in the expenditures or expenses reported in the financial statements are the amounts of rental and interest expenses for leases of buildings used for office and warehouse space. The total amount of outflows of resources recognized from leases for the fiscal year 2023 was \$3,239,932.05. Of that amount, \$3,168,268.00 was for principal and \$75,658.01 for interest, respectively. Lease rate factors on all leases range from 0.17% to 3.23%. Future minimum rental and interest expenses having an initial term in excess of one year are presented in **Table 16**.

Table 16

FUTURE LEASE EXPENSE			
GOVERNMENTAL ACTIVITIES			
Year Ended August 31	Principal	Interest	Total Future Min Lease Amount
2024	\$ 3,161,143.84	\$ 72,346.43	\$ 3,233,490.27
2025	3,150,533.13	56,211.98	3,206,745.11
2026	2,596,787.12	41,770.46	2,638,557.58
2027	2,362,505.48	30,180.37	2,392,685.85
2028	164,439.25	12,651.84	177,091.09
2029 - 2033	657,779.94	50,607.36	708,387.30
2034 - 2038	0.00	0.00	0.00
Totals	<u>12,093,188.76</u>	<u>263,768.44</u>	<u>12,356,957.20</u>

Additionally, GLO recognized a total of \$21,340,113.70 in right to use lease assets related to buildings and are disclosed separately from other capital assets reported in Note 2.

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 2023, adjustments and corrections were made that required the restatement of beginning fund balance and net position. These restatements and adjustments are presented in **Table 17**.

GOVERNMENTAL FUNDS AND GOVERNMENTAL ACTIVITIES

GENERAL FUND

A restatement of \$37,128.81 was made in Fund 1100 due to a prior period accounts payable correction.

A restatement of \$23,808.00 was done in Fund 5352 due to a prior period accounts payable correction.

A restatement of \$165,637.28 was done in Fund 5152 to correct a prior period lease receivable as it relates to GASB Statement No. 87.

GOVERNMENTAL ACTIVITIES

A restatement of (\$56,974.81) and (\$2,685.85) was made in Fund 0998 due to the correction of Furniture and Equipment and the associated accumulated depreciation for capital assets in a prior period. A restatement to Land and Vehicles in the amount (\$7,866.68) and (\$325.00), respectively, was made in Fund 0998 to correct prior period balances.

BUSINESS TYPE ACTIVITIES

Restatements were made in Fund 0650 for \$548.04, Fund 0651 for \$1,425.54, and Fund 0660 for \$2,470.20 to correct prior period accumulated depreciation balances related to furniture and equipment. A restatement was also made in Fund 0660 for (\$13,513.62) to correct prior period accounts payable balances.

A restatement of \$15,261.49 was made in Fund 0590 to correct prior period principal and unapplied receipts balances.

Restatements of (\$320,531.34) in Fund 0383, \$1.24 in Fund 0384, (\$2,465.28) in Fund 0529, (\$5,104.07) in Fund 0571, and \$170,302.87 in Fund 0626 were made to correct prior period State Street investment balances.

Note 15

CONTINGENCIES AND COMMITMENTS

SIGNIFICANT COMMITMENTS

ARBITRAGE REBATE PAYABLE

Earnings on proceeds of the VLB's tax-exempt bonds are subject to provisions of §148(g)(3) 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, 2023, there is no outstanding rebate liability.

YIELD REDUCTION LIABILITY

Pursuant to section 143(g)(2) of the Internal Revenue Code of 1986, as amended, pertaining to the effective rate of mortgage interest on home loans originated with proceeds of tax-exempt qualified veterans' mortgage bonds cannot exceed the yield on the applicable bond issue by more than 1.125 percent. To the extent that such limitation is exceeded, the VLB may pay a "yield reduction payment" to the federal government. As of August 31, 2023, there is an accumulated Yield Reduction Liability of \$21,074,489.80 with respect to tax-exempt bonds issued by VLB.

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 2023 was adopted by Texas Land Commissioner, George P. Bush, and Chief Clerk Mark Havens, to cover the plan year effective July 1, 2022 through June 30, 2023. The Plan enables the agency to remain competitive in its efforts to attract, retain, and motivate high caliber investment staff. Pursuant to Senate Bill 1232, 87th Legislative, Regular Session, management and investment authority over respective portions of the Permanent School Fund was transferred to a new entity called the Texas Permanent School Fund Corporation (Corporation). As a result, effective January 1, 2023, GLO investment staff transferred to the Corporation. Any earned performance incentive compensation pay will be paid over the subsequent two-year period by the Corporation.

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

Table 17

RESTATEMENT TO FUND BALANCE AND NET POSITION

	September 1, 2022, As Previously Reported	Restatements	September 1, 2022, As Restated
GOVERNMENTAL FUNDS AND GOVERNMENTAL ACTIVITIES			
Major Funds:			
General Fund	(556,721,029.13)	226,574.09	(556,494,455.04)
Permanent School Fund	(13,938,103,388.68)		(13,938,103,388.68)
Total Major Funds	(14,494,824,417.81)	226,574.09	(14,494,597,843.72)
Nonmajor Funds:			
Special Revenue Funds	(4,122,121.00)		(4,122,121.00)
Total Nonmajor Funds	(4,122,121.00)	0.00	(4,122,121.00)
Governmental Activities Adjustments:			
Capital Assets	(89,543,011.65)	(67,852.34)	(89,610,863.99)
Long-Term Liabilities	12,844,500.57		12,844,500.57
Total Governmental Act. Adj.	(76,698,511.08)	(67,852.34)	(76,766,363.42)
Total Governmental Activities	(14,575,645,049.89)	158,721.75	(14,575,486,328.14)
BUSINESS TYPE ACTIVITIES			
Nonmajor Funds:			
Enterprise Funds	(789,075,713.27)	(151,607.41)	(789,227,320.68)
Total Nonmajor Funds	(789,075,713.27)	(151,607.41)	(789,227,320.68)
Total Business Type Activities	(789,075,713.27)	(151,607.41)	(789,227,320.68)
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	(15,364,720,763.16)	7,114.34	(15,364,713,648.82)

CLAIMS

As of August 31, 2023, 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:

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. The parties have settled and dismissal is imminent.

Edwin Arnaud, Inc. v. Bush, as GLO Land Commissioner

Trespass to try title lawsuit filed against Commissioner Bush seeking judgment for title to and possession of Orange County property Plaintiff claims became submerged as a result of subsidence caused by oil and gas production. Petition filed July 7, 2022; answered August 8, 2022. Discovery is in progress; trial set for December 11, 2023. 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.

GLO v. Pearl Resources LLC

The GLO filed an adversary proceeding seeking a declaratory judgment that subject matter Scheduled Leases terminated by operation of law (lack of drilling operations) prior to the bankruptcy petition date and therefore do not constitute estate property. Petition filed May 28, 2020; Pearl answered/counterclaimed on June 29, 2020 and amended same on September 29, 2020. Status conference held and scheduling order signed on June 10, 2021; amended Motion to Amend briefed in full, heard and granted on October 22, 2021. Amended answer briefed in full as of January 7, 2022; status conference hearing held February 7, 2022. Following a failed mediation, Pearl filed a motion to dismiss/withdraw document, a motion to strike and an objection to the GLO's motion to dismiss on April 25, 2022, to which the GLO filed a response on May 2, 2022 and objections on May 16, 2022.

Hearing held June 28, 2022 on pending motions to dismiss/strike; opinion issued August 23, 2022, denying Pearls' motion to strike and the GLO's motion to dismiss Pearl's breach

of contract counterclaim and granting Pearl's motion to dismiss the GLO's counterclaim – as to which a hearing was held October 5, 2022, wherein the GLO's request for leave to amend its answer and counterclaims was granted. GLO summary judgment motion briefed in full as of May 31, 2023; hearing on cross motions to strike experts reset for September 26, 2023. The probability of liability is 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; mandate issued July 8, 2020; trial to be reset. The probability of liability is reasonably possible. The possible final amount of loss is indeterminable at this time.

Porretto v. Galveston Park Board of Trustees, et al. (In re: Sonya Porretto)

The agency and Commissioner Bush have been named in an adversary proceeding in the longstanding Porretto bankruptcy; however, the Original Complaint and Application for Writ of Mandamus pertains to property long-since abandoned by the Chapter 7 Trustee. Original Complaint filed June 25, 2021; GLO Motion to Dismiss filed August 13, 2021; Debtor/Plaintiff Objection filed September 3, 2021; hearing held December 7, 2021; transferred to federal district court; TRO denied via telephonic hearing on March 2, 2022. Order staying discovery signed and entered March 31, 2022; by extension, renewed

motions to dismiss briefed in full as of June 14, 2022.; case dismissed in full by order issued December 7, 2022. Motions for new trial/recusal denied January 13, 2023; notice of appeal filed January 23, 2023; briefed in full as of September 11, 2023. The probability of liability is remote. The possible final amount of loss is indeterminable at this time.

Reynolds v. GLO

Former employee sued post-termination alleging disability and sex discrimination and retaliation. Petition filed September 24, 2021; answered November 15, 2021; discovery is in progress and trial to be reset for early 2024. The probability of liability is reasonably possible. The possible final amount of loss is indeterminable at this time.

SaveRGV v. GLO & Bush, et al.

Nonprofit entity filed declaratory action against the GLO, Commissioner Bush and Cameron County seeking to invalidate as unconstitutional specified OBA provisions, attendant GLO rules, the corresponding GLO/Cameron County MOA and the Cameron County commissioners court order as they relate to beach or access closures. Petition filed October 11, 2021; answered November 8, 2021; status conference held April 27, 2022. Sierra Club and Carrizo/Comecrudo Nation of Texas, Inc. filed a petition in intervention on May 5, 2022; hearing on jurisdictional pleas reset for June 15, 2022; orders granting all pleas in all respects issued June 30, 2022; notice of appeal filed July 28, 2022. ; motions to consolidate (granted) and abate (denied) appeal(s) filed August 26, 2022; via extensions, briefed in full as of June 2, 2023; argument scheduled for September 20, 2023. The probability of liability is reasonably possible. The possible final amount of loss is indeterminable at this time.

Sheffield, et al. v. Bush, et al.

Commissioner Bush has been named as a co-defendant in a Complaint alleging section 1983 civil rights violations in the context of a "Temporary Order Suspending Determination of the Line of Vegetation and Suspending Enforcement on Certain Encroachments on the Public Beach" signed by Commissioner Bush on March 29, 2021. Plaintiffs seek declaratory and injunctive relief. Petition filed May 24, 2021; Plaintiffs' motion for preliminary injunction filed July 22, 2021; 12b preliminary letter to Plaintiffs' counsel sent July 23, 2021; motion filed August 9, 2021. By extension, Plaintiffs' 12b response due September 7, 2021; Defendants' response to the injunction motion filed September 10, 2021; respective replies filed September 24 and 28, 2021; hearing held October 25, 2021. Additional briefing ordered November 22, 2021; responses filed December 10, 2021. By opinion entered May 24, 2022, the court denied the motion for preliminary injunction and dismissed Plaintiffs' substantive due process claim, leaving intact the 4th and 5th Amendment and procedural due process claims. On June 1, 2022, Plaintiffs filed their notice of appeal of the injunction denial; Appellants' brief filed July 12, 2022; Appellees' brief and motion to dismiss on mootness grounds briefed in full as of August 29, 2022; motion denied September 2, 2022; argued

February 6, 2023 in New Orleans. Opinion issued July 31, 2023, dismissing the appeal on mootness grounds; mandate issued August 22, 2023. The probability of liability is 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. By extensions, briefed in full at the Supreme Court as of November 13, 2020; petition denied December 11, 2020; mandate issued January 26, 2021. Status conference held July 21, 2021: advisories and objections to HAP Johnson's plea in intervention filed August 20, 2021. Status conference held April 20, 2022: motions to strike the intervention heard and taken under advisement; intervention struck by letter opinion dated June 1, 2022. Conceptual settlement has been reached and approved by the School Land Board. The probability of liability is reasonably possible. The possible final amount of loss is indeterminable at this time.

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. Motion to disqualify Kelly Hart heard September 28, 2021 and denied by order dated October 27, 2021; case stayed pending final disqualification resolution. Mandamus petition briefed in full as of February 17, 2022; argued April 6, 2022; denied May 9, 2022. Via July 14, 2022, supplement to Riemer's 14th Amended Counterclaim/12th Amended 3rd party petition, Plaintiff Hap Johnson Royalty Co. LLC has named and asserted causes of action against Ponderosa entities that are named defendants in the Signal Drilling litigation; answered by Ponderosa on September 15, 2022. Trial held May 1-3, 2023; written closings fully briefed as of August 30, 2023. 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 & 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. Argued and submitted October 22, 2020; affirmed by opinion issued September 30, 2021; Supreme Court Petition filed November 15, 2021; by extensions, briefed in full as of July 18, 2022; petition denied September 2, 2022. The probability of liability is remote. The possible final amount of loss is indeterminable at this time.

Wylie v. GLO

Former employee sued post-termination alleging discrimination and violations of Texas Labor Code chapter 21. Petition filed July 26, 2021; answered August 30, 2021; discovery is in progress. 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, 2023, GLO had outstanding natural gas commitments/open positions with third parties for 17,351,624.00MMBtus valued at \$(12,744,908.89). 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

At the October 19, 2023 Board Meeting, the VLB Board updated its Investment Policy Statement changing the investment officer from the chief investment officer to the Director of Bond Funds Management.

At the October 19, 2023 Board Meeting, the VLB Board changed the interest rates on land loans from 6.95 percent to 7.25 percent effective for loans applied for on or after October 23, 2023.

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 three insurance policies: Public Employees Volunteer Insurance Coverage pursuant to Statewide Volunteer Insurance Program, Commercial Property Insurance and Automobile Insurance.

The Statewide Volunteer Insurance Policy covers excess personal liability for 40 volunteers at \$4.93 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 \$4.93 per volunteer are also provided for under the Statewide Volunteer Insurance Policy with a Benefit Maximum of \$50,000. 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.

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 Auto Insurance Policy is liability only and coverage is for one GLO owned truck only. The deductible is \$1,000 per occurrence and the premium is \$1,428.49 per year for the vehicle.

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

Table 18 shows changes in the balances of the agency’s claim liabilities during fiscal year 2023, that are unrelated to policies.

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 2023 the Texas General Land Office paid one claim arising from a vehicle accident involving an agency employee in the amount of 5,142.27.

Table 18

CLAIM LIABILITIES				
	Beginning Balance	Increases	Decreases	Ending Balance
2023	\$0.00	\$5,142.27	(\$5,142.27)	\$0.00
2022	\$0.00	\$25,619.60	(\$25,619.60)	\$0.00

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, 2023 by \$7,006,896,015.30 (presented as Net Position in Exhibits I and II). Of this amount, \$6,463,639,106.55 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, 2023 by \$834,878,572.15 (as presented in Exhibits

III and IV). Of this amount, \$111,260,380.05 is invested in capital assets, net of related debt, and the remaining \$723,618,192.10 is restricted for the Veterans Land Board programs.

Operational activities in the housing and land programs resulted in an operating loss of approximately \$24.5 million. Along with operational activities, the approximate income from investment activities of \$42.7 million, net decrease in fair value of investments of \$28.1 million, and net Transfers Out of \$31.7 million to fund administrative costs and to construct veterans’ cemeteries and veterans’ homes, contributed to an increase in net position of approximately \$15.5 million.

The State of Texas David A. Gloier State Veterans’ Home Program operated at a gain of about \$13 million. With other non-operating revenues and net transfers of approximately \$19.7 million and \$2.5 million, respectively, the program increased net position by approximately \$30.2 million.

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 or revenues received from any land or real property holdings, and any proceeds received from the sale of any mineral or royalty interests, 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 property holdings; 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 property holdings, 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.

Approximately \$1.45 billion of capital commitments to externally-managed real assets investment funds were funded between September 1, 2022 and August 31, 2023.

The current surface real property portfolio of the fund consists of 657,064.62 surface acres with a portfolio value of \$ 707,961,501.94. The sovereign portion of this is located primarily in West Texas. 407,191.42 acres of sovereign land represent 62 percent of the total portfolio acreage but are only valued at \$276,140,087.94 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.

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, 2023, ending historical cost basis for the fund's land surface portfolio was \$ 169,138,407.33. Contributions of \$64,327,020.41 were made to development projects. The permanent school fund also manages approximately 13 million acres of Relinquishment Act, submerged, free royalty, mineral reserved lands, and mineral estates on surface lands, representing a basis of \$13,436,949.84.

Dispositions for the fiscal year ended August 31, 2023, equaled 460.5 acres, resulting in a loss of approximately \$474.9 thousand.

LOANS AND CONTRACTS RECEIVABLE

Loans and contracts receivables are divided between current and noncurrent assets. Current loans and contracts receivable for land contracts are \$2,396,615.87, land mortgages are \$5,628,233.82, housing mortgages are \$61,492,756.08 and home improvement loans are \$1,667,499.76. Noncurrent loans and contracts receivable for land contracts are \$14,932,370.75, land mortgages are \$336,779,373.96, housing mortgages are \$2,243,230,692.44, and home improvement loans are \$26,206,854.15.

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 \$13,994,522.76, construction in progress of \$37,173,191.89, and other assets of \$16,465,401.59.

Governmental funds report depreciable assets: buildings of \$83,771,239.29 less accumulated depreciation of (\$45,055,144.30), furniture and equipment of \$7,162,449.54 less accumulated depreciation of (\$5,839,768.29), vehicles, boats and aircraft of \$7,669,464.86 less accumulated depreciation of (\$6,382,013.79), intangible computer software of \$781,763.78 less accumulated amortization of (\$781,763.78), facilities and other improvements of \$5,944,673.61 less accumulated depreciation of (\$1,370,019.64), and other assets of \$448,803.75 less accumulated depreciation of (\$68,088.91).

The Veterans' Home Revenue Bond Funds report non-depreciable assets for land of \$5,839,500.00, and construction in progress of \$29,392,951.86. The Veterans' Home Revenue Bond Funds report depreciable assets: buildings of \$171,611,376.81 less accumulated depreciation of (\$96,253,890.96), furniture and equipment of \$1,696,163.25 less accumulated depreciation of (\$1,035,098.77), and facilities and other improvements of \$22,963.00 less accumulated depreciation of (\$13,585.14).

LONG-TERM DEBT

The agency's debt obligations associated with bonds increased by \$233,905,000. Changes in bonds payable is represented by \$500,000,000 of new issuances including premiums received, and \$266,095,000 of retired or matured bonds, including amortization of premiums. For additional details, see Schedules 2-A and 2-B.

SIGNIFICANT COMMITMENTS

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 August 2, 2022, the SLB adopted a resolution that releases \$1.2 billion from the Real Estate Special Fund Account (RESFA) during fiscal year 2024 and fiscal year 2025 to the Available School Fund. The funds are scheduled to be released in four quarterly installments of \$150 million each on the 25th day (or next succeeding business day if the 25th is not a business day) of November 2023, February 2024, May 2024, August 2024, and four

quarterly installments of \$150 million each on the 25th day (or next succeeding business day if the 25th is not a business day) of November 2024, February 2025, May 2025, and August 2025, respectively.

BANKRUPTCIES

The agency filed one new proof of claim in fiscal year 2023. The claim was filed in the Alpine Summit bankruptcy in the amount of \$92,236.

Prior to fiscal year 2023, the agency had a claim amount of \$1,931,711.44 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 unlikeliness of its collection. Revenues will be recognized in the year collections are received. The agency has received \$1,152,54 through August 31, 2023.

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

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 fiscal year 2023, the agency has received \$17.3 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.

Note 19

THE FINANCIAL REPORTING ENTITY

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.

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 development was completed and the joint venture closed in 2023.

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. In fiscal year 2021, a phase II development was created with the acquisition of 620 acres to expand the original master plan.

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.

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 Chairwoman 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 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 financial statements can be obtained directly from The Alamo Endowment's administrative offices at 1700 North Congress Avenue, 9th Floor, Austin, Texas 78731.

Note 20

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Not applicable.

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 19** 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

through December 31, 2023. SB1232, 88th Legislature, Regular Session amended statutory law, creating the Texas Permanent School Fund Corporation to manage and invest 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.

Table 19

DONOR RESTRICTED ENDOWMENTS	
	Permanent School Fund (PSF)
	\$
Restricted Income of the Fund	29,793,286.00
Balance at Fiscal Year-End	29,793,286.00

Note 23

EXTRAORDINARY AND SPECIAL ITEMS

Not applicable.

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 20**.

Note 25

TERMINATION BENEFITS

Not applicable.

Note 26

SEGMENT INFORMATION

Not applicable.

Table 20

DISAGGREGATION OF SIGNIFICANT RECEIVABLES AND PAYABLES

August 31, 2023

	Receivables
Federal Receivables	\$
<i>Governmental Funds</i>	
Department of Interior	1,226,081.94
Department of Commerce	1,249,686.60
Department of Housing and Urban Development	93,340,067.92
Department of Veterans Affairs - Cemeteries	2,263,998.26
US Environmental Protection Agency	126,869.45
Department of Homeland Security	2,477,395.32
Total Net Federal Receivables	100,684,099.49
<i>As Reported on the Financial Statements (Exhibit I)</i>	
Current Federal Receivables	100,684,099.49
<i>Proprietary Funds</i>	
Department of Veterans Affairs - State Veterans Homes	16,223,635.25
Total Net Federal Receivables	16,223,635.25
<i>As Reported on the Financial Statements (Exhibit III)</i>	
Current Federal Receivables	16,223,635.25
Accounts Receivables	
<i>Governmental Funds</i>	
Gas Royalties	(4,194,558.51)
Oil Royalties	29,407,262.87
State Energy Marketing Program	56,157,773.86
Leases	4,167,047.76
Other Revenues	19,974,946.01
Total Net Accounts Receivable	105,512,471.99
<i>As Reported on the Financial Statements (Exhibit I)</i>	
Current Accounts Receivable	105,512,471.99
<i>Proprietary Funds</i>	
Veterans' Land Contracts	261,121.68
Veterans' Land Mortgages	1,988,639.96
Texas State Veterans Homes (<i>net of allowances</i>)	2,127,965.36
Total Net Accounts Receivable	4,377,727.00
<i>As Reported on the Financial Statements (Exhibit III)</i>	
Current Accounts Receivable	4,377,727.00
	Payables
Accounts Payable	\$
<i>Governmental Funds</i>	
State Energy Marketing Program	26,327,709.60
State Veterans Cemetery Program	686,008.89
General Governmental Expenditures	172,843,021.93
Total Accounts Payable	199,856,740.42
<i>As Reported on the Financial Statements (Exhibit I)</i>	
Current Accounts Payable	199,856,740.42
<i>Proprietary Funds</i>	
Veterans' Housing Mortgages	1,894,210.03
Veterans' Land Contracts	3,557,783.35
Veterans Homes	23,295,054.17
Total Accounts Payable	28,747,047.55
<i>As Reported on the Financial Statements (Exhibit III)</i>	
Current Accounts Payable	28,747,047.55

Note 27

SERVICE CONCESSION ARRANGEMENTS

Not applicable.

Note 28

DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

GLO reported deferred outflows of resources and deferred inflows of resources in connection with its leases and hedging derivative instruments as presented in **Table 21**.

In fiscal year 2023, deferred outflows of resources of \$20,199,866.30 and deferred inflows of resources of \$160,648,885.69 were related to hedging derivative instruments in business-type activities. Additional details can be found in Note 7.

Table 21

DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

As of August 31, 2023	Deferred Outflows of Resources	Deferred Inflows of Resources
	\$	\$
Business-Type Activities		
Hedging Derivative Instruments	20,199,866.30	160,648,885.69
Total Business-Type Activities	20,199,866.30	160,648,885.69

Note 29

TROUBLED DEBT RESTRUCTURING

Not applicable.

Note 30

NON-EXCHANGE FINANCIAL GUARANTEES

Not applicable.

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 22**.

Table 22

GOVERNMENTAL FUND BALANCES

GENERAL FUNDS						
0001	1106	Restricted	\$	16,560,581.69	Federal ALN 97.036	Federal funds; restrictions are externally imposed by federal government agencies. Negative restricted fund balance was reclassified to
0027	0027	Committed		19,822,285.46	NRC Sec. 40.151	Coastal Protection Fund; used only for carrying out the purposes of NRC Chapter 40 and of Subchapter
0450	0450	Committed		856,949.21	NRC Sec. 33.015	Restricted for Coastal Public Lands Management.
0522	0522	Restricted		8,965.85	TEX. CONST. Art. III, Sec. 49-b	Created by the State's Constitution for the specific purpose of administering the Veterans' Land
0543	0543	Committed		13,663,050.63	TEX. Gov't Code Ann. Sec. 2201	Texas Capital Trust Fund
5152	5152	Committed		8,218,943.34	NRC Sec. 31.454 (e)	Alamo Trust, Inc. (formerly known as Alamo Complex Management)
PERMANENT FUNDS						
0044	0013	Restricted		58,373,074.00	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 Veterans' Housing Assistance Program and the Veterans' Land Program. The Veterans' Housing Assistance Program (VHP) consists of the Housing Mortgage Loan Program (VHAP) to be used toward the purchase of homes in the state and the Home Improvement Program (VHIP) to be used toward making qualified improvements to homes in the state. The Veterans' 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 (VHAP) up to \$726,200 for the purchase of single-family residences. This conforming loan limit is set by the Federal Housing Finance Agency for one-unit properties for loans issued in 2023 and is adjusted yearly for inflation. Home loan terms vary from 15 to 30 years.

The VLB offers home improvement loans (VHIP) 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. VHIP loans can be secured or unsecured with collateral requirements for the former. The program makes a limited amount of VHIP loans.

Loan Issuance

Loans are purchased by the Board with money from bonds issued through the Veterans' Housing Assistance Funds and are originated through independent Board-approved lending institutions. Loan servicers and the Master Servicer of the loans retain a servicing fee on the loans and the remaining principal and interest payments are used by the board as a source of payments on the bonds. 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

Veterans with a VA service-connected disability rating of 30% or greater qualify for a discounted interest rate. As of August 31, 2023, interest rates on VHAP and VHIP loans ranged from 0% - 9.97% with an average rate of 3.60%.

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 Administration (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

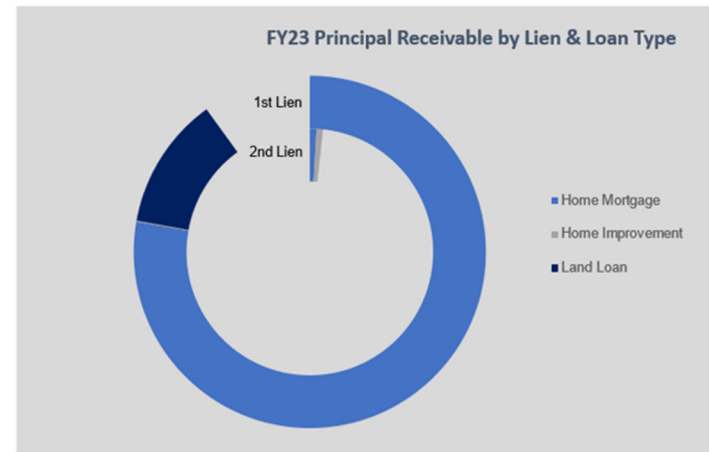
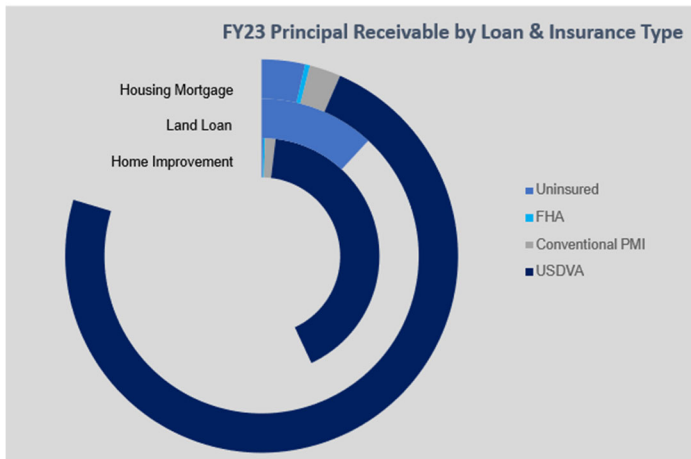
FHA insurers first and second lien mortgages under the U.S. Department of Housing and Urban Development (HUD) Title I Insurance Program. For VHAP loans in default, the U.S. Department of Housing and Urban Development (HUD) reimburses 100% of the principal balance and interest from 30 days after the due 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.

Table 23

LOAN PROGRAM DISAGGREGATION

At August 31, 2023

	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	103,187,355.67	340	74,614,636.02	675	11,540,180.82	123	2,113,601,476.76	8,137	5,347,276.42
2nd Lien	3,572.78	2	2,293.65	1	-	0	1,811,229.89	7	
Home Improvement									
1st Lien	1,652,721.98	47	-	-	816,821.95	55	-	-	96,249.63
2nd Lien	10,306,812.28	293	-	-	14,313,257.67	916	-	-	
Land Loan									
1st Lien - Land Mortgage	342,407,607.78	4,249	-	-	-	-	-	-	1,988,639.96
1st Lien - Land Contract for Deed	17,328,986.62	1,607	-	-	-	-	-	-	261,121.68
Totals	474,887,057.11		74,616,929.67		\$26,670,260.44		\$2,115,412,706.65		\$7,693,287.69



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.

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 VHAP 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 VHAP loans of which the VA does not accept conveyance, the VA pays based on percentages established under their Guaranty Agreement, which is usually 25%. The VHAP 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 23**.

Origination History

From the inception of the Housing Program in 1984 through August 31, 2023, a total of 102,606 home loans aggregating \$13,270,221,089.59 and 6,927 home improvement loans aggregating \$141,937,003.20 have been made to veterans. During the fiscal year, 2,009 home loans for an aggregate principal amount of \$792,928,176.51 and 106 home improvement loans for an aggregate principal amount of \$2,449,262.96 were made to veterans in the state as shown in **Table 24** and **Table 25**.

As of August 31, 2023, there were 9,278 VHAP loans with an outstanding principal balance of \$2,304,760,745.59 on the administrator's books. Adjusted for timing differences of \$37,297.07, the outstanding principal balance is \$2,304,723,448.52, as presented in Exhibit III.

As of August 31, 2023, there were 1,311 VHIP loans with an outstanding principal balance of \$27,089,613.88 on the administrator's books. Adjusted for timing differences of \$784,740.03, the outstanding principal balance is \$27,874,353.91 as presented in Exhibit III.

LAND PROGRAM

Loans Offered

The Veterans' Land Program (VLP) provides Texas veterans with the opportunity to purchase land at below-market interest rates while only requiring a minimum 5% down payment. The VLP 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.

Loan Issuance

Loans are purchased by the VLB with money from bonds issued through the Veterans' Land Funds and with amounts received in payment of outstanding land loans. Loans are originated by the Veterans' Land Board. The Servicer of the loans is paid a servicing fee, while the remaining principal and interest payments are used by the Board as the source of payments on the bonds and to make new land loans. 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

Veterans with a VA service-connected disability rating of 30% or greater qualify for a discounted interest rate. As of August 31, 2023, interest rates on land loans ranged from 3% - 10.80% with an average rate of 6.96%.

Land Program Insurance

Land mortgage loans under the VLP 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

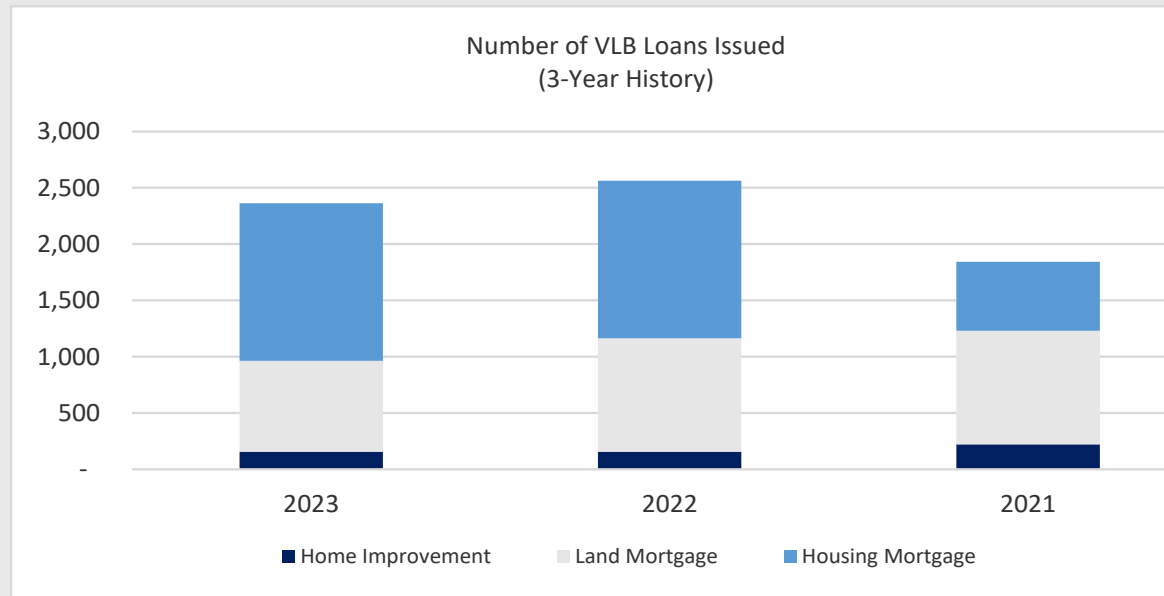
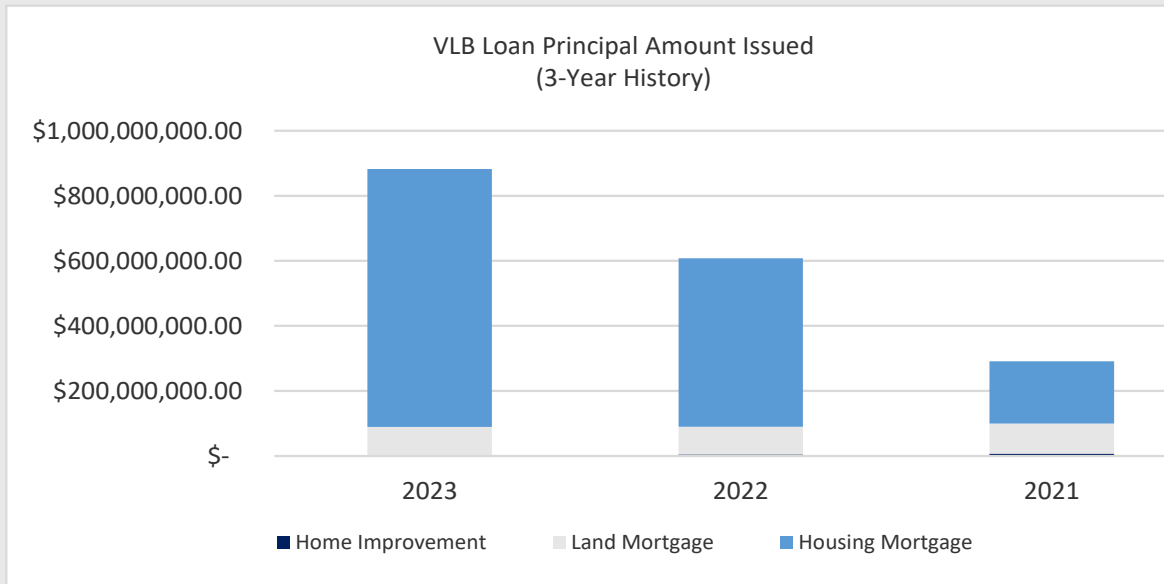
From the inception of the VLP through August 31, 2023, 13,628 land loans have been funded. During the fiscal year, 808 land mortgage loans for an aggregate principal amount of \$86,915,780.42 were made to veterans as shown in **Table 24** and **Table 25**.

Table 24

HISTORY OF LOANS PURCHASED								
As of August 31, 2023								
Loan Type	2023		2022		2021		Total Average Loan Amount	
	Loan Principal	Number of Loans	Loan Principal	Number of Loans	Loan Principal	Number of Loans		
Housing Mortgage	\$ 792,928,176.51	2,009	\$ 518,253,396.93	1,399	\$ 190,817,863.41	1,469	\$ 307,976.10	
Home Improvement	2,449,262.96	106	4,493,789.27	156	7,470,959.72	207	\$ 30,733.50	
Land Mortgage	86,915,780.42	808	85,453,073.02	838	92,523,411.48	862	\$ 105,618.93	
Total Loans	\$ 882,293,219.89	2,923	\$ 608,200,259.22	2,393	\$ 290,812,234.61	2,538	\$ 444,328.53	

Table 25

COMPARISON OF 3-YEAR LOAN PROGRAM HISTORY



As of August 31, 2023, there were 5,586 land loans with an outstanding principal balance of \$359,736,594.40 on the administrator’s books as presented in Exhibit III.

RECEIVABLES AGING & FORECLOSURES

If a veteran defaults on an installment payment due under the terms of 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

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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, 2023 is presented in **Table 26**. The summary of foreclosures at August 31, 2023 is presented in **Table 27**.

Table 26

LOAN STATUS

As of August 31, 2023

Loan Status	Housing Mortgage		Home Improvement Loan		Land Mortgage		Land Contract for Deed	
	Number of Loans	Principal Balance	Number of Loans	Principal Balance	Number of Loans	Principal Balance	Number of Loans	Principal Balance
		\$		\$		\$		\$
Current	8,997	2,246,286,869.60	1,303	26,855,314.49	4,142	334,505,825.24	1,440	16,096,906.42
31 to 60 Days Delinquent	79	19,740,538.55	4	95,087.17	0	0.00	0	0.00
61 to 90 Days Delinquent	26	6,308,913.03	1	28,386.13	36	2,399,081.65	36	397,994.23
90+ Days Delinquent	82	16,533,701.53	1	48,421.87	71	5,502,700.89	89	242,999.21
In Foreclosure	58	9,674,637.11	-	-	-	-	25	288,847.85
In Bankruptcy Proceedings	30	6,152,408.28	1	38,021.76	-	-	-	-
Conveyed to Insurer/Guarantor	6	63,677.49	1	24,382.46	-	-	-	-
Real Estate Owned (REO)	0	0.00	-	-	-	-	17	302,238.91
Totals	9,278	\$ 2,304,760,745.59	1,311	\$ 27,089,613.88	4,249	\$ 342,407,607.78	1,607	\$ 17,328,986.62

Table 27

PROPERTY ACQUIRED THROUGH FORECLOSURE

As of August 31, 2023

Loan Type	Number of Loans	Foreclosed/ Forfeited	Outstanding Principal Balance of Foreclosures	Total Principal Balance of Loan Type	Percent of Total Principal Balance
Housing Mortgage	9,278	58	\$ 9,674,637.11	\$ 2,304,760,745.59	0.42%
Home Improvement	1,311	-	0.00	27,089,613.88	0.00%
Land Contract for Deed	1,607	25	288,847.85	17,328,986.62	1.66%
Land Mortgage	4,249	-	0.00	342,407,607.78	0.00%
Total	16,445	83	\$ 9,963,484.96	\$ 2,691,586,953.87	2%

TEXAS GENERAL LAND OFFICE
VETERANS' LAND BOARD

COMBINING
FINANCIAL STATEMENTS

UNAUDITED ANNUAL FINANCIAL REPORT
AUGUST 31, 2023



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Texas General Land Office and Veterans' Land Board

EXHIBIT A-1

COMBINING BALANCE SHEET
 GENERAL AND CONSOLIDATED FUNDS

August 31, 2023

(With comparative memorandum totals for August 31, 2022)

	GENERAL						
	GENERAL	GENERAL	HUD CDBG	HUD CDBG	HUD CDBG	HUD CDBG	FEMA IA
	REVENUE FUND (0001) U/F (0001)	REVENUE FUND (0001) U/F (1100)	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)
\$	\$	\$	\$	\$	\$	\$	
ASSETS							
Current Assets:							
Cash on Hand							
Cash in Bank (Note 3)							
Cash in State Treasury							
Legislative Appropriation	116,426,534.64	(3,133,897.22)	(11,155.56)	(403,103.33)	(394,831.52)	(6,285,414.97)	(966,079.32)
Receivables:							
Federal	2,819,661.94	1,316,577.57	21,511.54	1,178,588.44	426,244.81	69,913,427.62	2,477,395.32
Interest and Dividends							
Accounts	9,446.83						
Lease Receivable							
Due From:							
Other Funds	4,648,554.74	892,113.35		529.00	328.00	271,608.73	46,866.16
Other Agencies							
Consumable Inventories	15,516.44						
Prepaid Items	1,908.85	3,223.26				1,724.29	
Total Current Assets	123,921,623.44	(921,983.04)	10,355.98	776,014.11	31,741.29	63,948,211.83	1,511,316.00
Noncurrent Assets:							
Lease Receivable							
Total Noncurrent Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL ASSETS	123,921,623.44	(921,983.04)	10,355.98	776,014.11	31,741.29	63,948,211.83	1,511,316.00
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
LIABILITIES							
Current Liabilities:							
Payables:							
Accounts	6,186,450.55	148,691,346.01					
Payroll	443,151.26	2,370,399.57					
Retainage							
Interfund (Note 12)							
Due To:							
Other Funds	45,248.15	8,426.75	8,996.48	9,993.03	20,311.70	472,111.36	
Other Agencies						201,503.65	
Unearned Revenues	12,603,096.96	1,062,364.55	6,352.83	6,987.86		563,975.18	2,486,242.79
Funds Held for Others							
Total Current Liabilities	19,277,946.92	152,132,536.88	15,349.31	16,980.89	20,311.70	1,237,590.19	2,486,242.79
TOTAL LIABILITIES	19,277,946.92	152,132,536.88	15,349.31	16,980.89	20,311.70	1,237,590.19	2,486,242.79
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
FUND FINANCIAL STATEMENT - FUND							
BALANCES							
Fund Balances (Note 1):							
Non-Spendable for Inventory	15,516.44						
Non-Spendable for Prepaid Items	1,908.85	3,223.26				1,724.29	
Restricted	349,995.78						
Committed							
Assigned							
Unassigned	104,276,255.45	(153,057,743.18)	(4,993.33)	759,033.22	11,429.59	62,708,897.35	(974,926.79)
TOTAL FUND BALANCES (Exhibit A-2)	104,643,676.52	(153,054,519.92)	(4,993.33)	759,033.22	11,429.59	62,710,621.64	(974,926.79)

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

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GENERAL						
COMMUNITY DEVELOPMENT & REVITALIZATION 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 2021 SEVERE WINTER STORM FUND (0001) U/F (1110)	HUD CDBG DISASTER RECOVERY FUND (0001) U/F (1111)	GOMESA FUND (0001) U/F (1112)
\$	\$	\$	\$	\$	\$	\$
20,648,862.09	(407,475.23)	(43,803.93)	(24,340.13)	(126,232.76)	(1,634,807.03)	280,811,736.12
	9,768,905.75	678,356.71	3,562,597.75	145,223.51	4,735,929.22	
73,105.60	12,288.00		2,400.00		67,061.17	
68,066.58	180,865.73					
20,790,034.27	9,554,584.25	634,552.78	3,540,657.62	18,990.75	3,168,183.36	280,811,736.12
0.00	0.00	0.00	0.00	0.00	0.00	0.00
20,790,034.27	9,554,584.25	634,552.78	3,540,657.62	18,990.75	3,168,183.36	280,811,736.12
0.00	0.00	0.00	0.00	0.00	0.00	0.00
	180,865.73					2,584,690.55
						21,397.13
4,229,452.58	205,938.96	29,563.46	37,688.82	13,260.24	27,267.00	12.00
	1,906,321.85	26,504.35	11,836.80		157,374.16	
4,229,452.58	2,293,126.54	56,067.81	49,525.62	13,260.24	184,641.16	2,606,099.68
4,229,452.58	2,293,126.54	56,067.81	49,525.62	13,260.24	184,641.16	2,606,099.68
0.00	0.00	0.00	0.00	0.00	0.00	0.00
16,560,581.69						
	7,261,457.71	578,484.97	3,491,132.00	5,730.51	2,983,542.20	278,205,636.44
16,560,581.69	7,261,457.71	578,484.97	3,491,132.00	5,730.51	2,983,542.20	278,205,636.44

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Texas General Land Office and Veterans' Land Board

EXHIBIT A-1 (concluded)

COMBINING BALANCE SHEET
 GENERAL AND CONSOLIDATED FUNDS

August 31, 2023

(With comparative memorandum totals for August 31, 2022)

	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)	DEDICATED COASTAL EROSION RESPONSE FUND (5176) U/F (5176)	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	20,650,874.66	1,062,717.60	2,269,115.31	13,675,784.70		7,539,760.32	44,941,359.73		
Legislative Appropriation Receivables:									
Federal	1,523,001.55								
Interest and Dividends Accounts	85,766.31		5,479.22		209.52	29,066.25			
Lease Receivable		(7,211.60)				437,496.67			
Due From:									
Other Funds	6,182.55	10,794.20	1,631.01						
Other Agencies	5,946.30						40,418.62	10,537.25	
Consumable Inventories									
Prepaid Items	1,186.78		434.14			832,435.56			
Total Current Assets	22,272,958.15	1,066,300.20	2,286,859.68	13,675,784.70	209.52	8,838,758.80	44,941,359.73	40,418.62	10,537.25
Noncurrent Assets:									
Lease Receivable									
Total Noncurrent Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL ASSETS	22,272,958.15	1,066,300.20	2,286,859.68	13,675,784.70	209.52	8,838,758.80	44,941,359.73	40,418.62	10,537.25
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	0.00
LIABILITIES									
Current Liabilities:									
Payables:									
Accounts	227,929.33	2,880.51	214,980.46			780,960.54		5,305,403.67	10,537.25
Payroll	702,506.55	22,206.73	2,067,679.79						
Retainage	(1,441.69)								
Interfund (Note 12)									
Due To:									
Other Funds	3,264.52		13,165.31						
Other Agencies	364,677.99			11,340.00					
Unearned Revenues	850,697.67	193,794.75		1,394.07		4,492.20			
Funds Held for Others									
Total Current Liabilities	2,147,634.37	218,881.99	2,295,825.56	12,734.07	0.00	785,452.74	0.00	5,305,403.67	10,537.25
TOTAL LIABILITIES	2,147,634.37	218,881.99	2,295,825.56	12,734.07	0.00	785,452.74	0.00	5,305,403.67	10,537.25
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	0.00
FUND FINANCIAL STATEMENT - FUND BALANCES									
Fund Balances (Note 1):									
Non-Spendable for Inventory									
Non-Spendable for Prepaid Items	1,186.78		434.14			832,435.56			
Restricted									
Committed	13,570,577.77	546,947.68		13,663,050.63		7,552,145.06			
Assigned									
Unassigned	6,553,559.23	300,470.53	(9,400.02)		209.52	(331,274.56)	44,941,359.73	(5,264,985.05)	
TOTAL FUND BALANCES (Exhibit A-2)	20,125,323.78	847,418.21	(8,965.88)	13,663,050.63	209.52	8,053,306.06	44,941,359.73	(5,264,985.05)	0.00

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

UNAUDITED

SUSPENSE ACCOUNTS							TOTALS	
DEPARTMENTAL	DIRECT DEPOSIT	CHILD SUPPORT	PURCH/LEASE	LOCAL	UNAPPROPRIATED	(EXH. 1)		
SUSPENSE	CORRECTION	ADDENDA DEDUCTS	LAND VAC TRUST	JURISDICTION	RECEIPTS	2023	2022	
FUND (0900)	FUND (0980)	FUND (0807)	FUND (0873)	FUND (0882)	FUND (0001)			
U/F (0900)(0902)	U/F (0980)(0981)	U/F (8070)	U/F (0873)	U/F (0882)	U/F (0111)			
\$	\$	\$	\$	\$	\$	\$	\$	
						200.00	200.00	
						10,000.00	10,000.00	
9,240,128.43		7,404.20	15,529.21			99,402,674.16	69,923,583.60	
						404,455,991.85	487,991,584.14	
						98,567,421.73	100,175,664.80	
						120,521.30	43,907.80	
			12,269.75			452,001.65	2,861,118.36	
						0.00	823,931.53	
4,537.70				0.84	2.58	5,991,137.47	7,506,681.54	
						352,700.64	2,755,977.68	
						15,516.44	16,540.54	
						840,912.88	848,362.29	
9,244,666.13	0.00	7,404.20	27,798.96	0.84	2.58	610,209,078.12	672,957,552.28	
						0.00	3,613,043.43	
0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,613,043.43	
9,244,666.13	0.00	7,404.20	27,798.96	0.84	2.58	610,209,078.12	676,570,595.71	
						0.00	0.00	
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
8,655,300.20		7,404.20	1,675.29	1.84		172,843,021.93	95,164,072.41	
						5,634,745.23	5,095,184.74	
						(1,441.69)	(1,441.69)	
						0.00	0.00	
589,365.93						5,714,066.29	7,469,755.26	
						577,521.64	2,553,424.90	
						19,881,436.02	5,297,233.28	
						0.00	0.00	
9,244,666.13	0.00	7,404.20	1,675.29	1.84	0.00	204,649,349.42	115,578,228.90	
9,244,666.13	0.00	7,404.20	1,675.29	1.84	0.00	204,649,349.42	115,578,228.90	
						0.00	4,271,337.68	
0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,271,337.68	
						15,516.44	16,540.54	
						840,912.88	848,362.29	
			26,123.67	(1.00)	2.58	16,936,702.72	26,296,759.83	
						35,332,721.14	66,744,086.53	
						0.00	0.00	
						352,433,875.52	462,815,279.94	
0.00	0.00	0.00	26,123.67	(1.00)	2.58	405,559,728.70	556,721,029.13	

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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, 2023

(With comparative memorandum totals for the year ended August 31, 2022)

	GENERAL						
	GENERAL	GENERAL	HUD CDBG	HUD CDBG	HUD CDBG	HUD CDBG	FEMA IA
	REVENUE FUND (0001) U/F (0001)	REVENUE FUND (0001) U/F (1100)	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	12,063,954.00						
Additional Appropriations	922,739.38	(52.86)	(0.00)	(0.00)	(0.00)	(868.53)	
Federal Revenues (Sch. 1A)	15,055,445.99	39,739,638.41	27,237.71	7,446,096.30	27,143,806.31	872,841,508.88	
Federal Grant Pass-Through Revenues (Sch. 1A)	549,698.87						
State Grant Pass-Through Revenues (Sch. 1-B)							
Licenses, Fees, and Permits	(11,641,653.41)						
Interest and Other Investment Income	36,198.54						
Land Income							
Settlement of Claims (Note 17)							
Sale of Goods and Services	44,796.98						
Increase in Obligations - Leases		10,671,851.66	0.00	0.00	0.00	0.00	0.00
Other Revenues	(210,476,763.12)	7,943.28	3.05				
TOTAL REVENUES	(193,445,582.77)	50,419,380.49	27,240.76	7,446,096.30	27,143,806.31	872,840,640.35	0.00
EXPENDITURES							
Salaries and Wages	4,454,923.35	13,609,516.28	16,761.60	11,577.30	176,791.20	3,965,422.49	
Payroll Related Costs	1,158,875.87	3,613,976.08	4,042.84	3,022.29	45,164.19	1,083,215.96	
Professional Fees and Services	186,820,932.42	68,576,562.01	4.14	1,222,500.00		369,895,701.64	
Travel	78,970.10	267,986.92				9,934.89	
Materials and Supplies	308,798.10	512,579.07	7.68			14,259.50	
Communication and Utilities	122,376.89	316,165.64	9.02			(105.00)	
Repairs and Maintenance	164,929.59	974,217.46	9.66			2,583.35	
Rentals and Leases (Note 8)	50,244.07	1,168,865.36	0.28			(21.12)	
Printing and Reproduction	22,162.91	1,927.05					
Claims and Judgments (Note 17)							
Federal Grant Pass-Through Expenditures (Sch. 1A)		950,152.06				(258,679.28)	
State Grant Pass-Through Expenditures (Sch. 1B)							
Intergovernmental Payments	929,253.60	82,547,148.17		5,051,615.84	26,536,340.88	321,912,448.29	
Public Assistance Payments	14,108.93	13,484,154.20				105,277,243.77	
Other Expenditures	(478,616.56)	962,569.30	0.35			3,705,728.41	
Debt Service:							
Principal - Capital Leases		2,644,495.61	0.00	0.00	0.00	0.00	0.00
Interest							
Other Financing Fees							
Capital Outlay	131,304.60	10,689,048.17	11.33				
TOTAL EXPENDITURES	193,778,263.87	200,319,363.38	20,846.90	6,288,715.43	26,758,296.27	805,607,732.90	0.00
EXCESS (DEFICIENCY) OF							
REVENUES OVER EXPENDITURES	(387,223,846.64)	(149,899,982.89)	6,393.86	1,157,380.87	385,510.04	67,232,907.45	0.00
OTHER FINANCING SOURCES (USES)							
Transfers In	7,763,805.64	150,000.00					
Transfers Out	(1,717,532.10)	(150,000.00)					
Sale of Capital Assets	10,768.16						
Insurance Recoveries		0.00	0.00	0.00	0.00	0.00	0.00
Legislative Financing Sources (Note 12)	(0.00)					0.00	
Legislative Financing Uses	0.00						
Appropriations Lapsed	642,733.15						
TOTAL OTHER FINANCING SOURCES (USES)	6,699,774.85	0.00	0.00	0.00	0.00	0.00	0.00
NET CHANGE IN FUND BALANCE	(380,524,071.79)	(149,899,982.89)	6,393.86	1,157,380.87	385,510.04	67,232,907.45	0.00
FUND FINANCIAL STATEMENT - FUND BALANCES							
FUND BALANCES - August 31, 2022	485,167,748.31	(3,117,408.22)	(11,387.19)	(398,347.65)	(374,080.45)	(4,522,285.81)	(974,926.79)
Restatements (Note 14)		(37,128.81)					
FUND BALANCE - August 31, 2022, As Restated	485,167,748.31	(3,154,537.03)	(11,387.19)	(398,347.65)	(374,080.45)	(4,522,285.81)	(974,926.79)
FUND BALANCES - August 31, 2023 (Exhibit A-1)	104,643,676.52	(153,054,519.92)	(4,993.33)	759,033.22	11,429.59	62,710,621.64	(974,926.79)

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

UNAUDITED

GENERAL						
COMMUNITY DEVELOPMENT & REVITALIZATION 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 2021 SEVERE WINTER STORM FUND (0001) U/F (1110)	HUD CDBG DISASTER RECOVERY FUND (0001) U/F (1111)	GOMESA FUND (0001) U/F (1112)
\$	\$	\$	\$	\$	\$	\$
	(141,281.70)	(16,903.42)	(1,330.97)	0.00	(2,419.02)	
23,420.68	119,710,563.45	12,063,536.14	55,252,069.84	104,061.17	51,610,447.86	
0.00	0.00	0.00	0.00	0.00	0.00	0.00
					258.66	301,706,949.49
23,420.68	119,569,281.75	12,046,632.72	55,250,738.87	104,061.17	51,608,287.50	301,706,949.49
	1,639,803.12	178,893.60	365,675.71	73,699.60	212,033.07	154,684.63
	434,069.56	46,399.34	97,675.64	19,768.39	53,989.43	49,629.69
	61,052,472.89	10,244,385.40	47,431,686.69		24,682.13	18,792,441.57
					921.09	89.20
					329.60	960.00
					571.97	
					89,234.04	
					(37.66)	
	811,853.79					878.23
(73,105.60)	45,389,810.74		3,822,540.20		12,238,460.64	
	826,328.20	896,659.13			34,717,028.12	
	2,908.14	99.75		1,305.75	1,217.77	4,502,629.73
0.00	0.00	0.00		0.00	0.00	0.00
			0.00			
			0.00			
			0.00			
					596.23	
(73,105.60)	110,157,246.44	11,366,437.22	51,717,578.24	94,773.74	47,339,026.43	23,501,313.05
96,526.28	9,412,035.31	680,195.50	3,533,160.63	9,287.43	4,269,261.07	278,205,636.44
	495,000.00					
	(495,000.00)					
0.00	0.00	0.00	0.00	0.00	0.00	0.00
						0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
96,526.28	9,412,035.31	680,195.50	3,533,160.63	9,287.43	4,269,261.07	278,205,636.44
16,464,055.41	(2,150,577.60)	(101,710.53)	(42,028.63)	(3,556.92)	(1,285,718.87)	0.00
			0.00			
16,464,055.41	(2,150,577.60)	(101,710.53)	(42,028.63)	(3,556.92)	(1,285,718.87)	0.00
16,560,581.69	7,261,457.71	578,484.97	3,491,132.00	5,730.51	2,983,542.20	278,205,636.44

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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, 2023
(With comparative memorandum totals for the year ended August 31, 2022)

	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 PLATES TRUST FUND (0802) U/F (0015)	DEDICATED ALAMO COMPLEX FUND (5152) U/F (5152)	DEDICATED COASTAL EROSION RESPONSE FUND (5176) U/F (5176)	ALAMO ECONOMIC STABILIZATION FUND (0599) U/F (5352)	DISASTER ECONOMIC STABILIZATION FUND (0599) U/F (3001)
REVENUES	\$	\$	\$	\$	\$	\$	\$		
Legislative Appropriations:									
Original									
Additional Appropriations									
Federal Revenues (Sch. 1A)	4,481,361.13								
Federal Grant Pass-Through Revenues (Sch. 1A)									
State Grant Pass-Through Revenues (Sch. 1-B)									
Licenses, Fees, and Permits	16,766,057.58	162,528.25			26,988.97	83,882.28			
Interest and Other Investment Income	745,621.68		51,655.46		2,126.87	312,367.91			
Land Income				17,789.92					
Settlement of Claims (Note 17)					0.00				
Sale of Goods and Services						7,096,919.23			
Increase in Obligations - Leases									
Other Revenues	181,556.03		20,335.76			1,283,879.78			
TOTAL REVENUES	22,174,596.42	162,528.25	71,991.22	17,789.92	29,115.84	8,777,049.20	0.00	0.00	0.00
EXPENDITURES									
Salaries and Wages	6,193,690.18	203,326.77	18,488,786.14				50,446.36		
Payroll Related Costs	2,941,033.47	64,047.85	5,980,792.19				12,997.97		
Professional Fees and Services	2,075,005.70	2,872.50	1,738,301.17			11,375,037.96	6,406,360.53	274,142.51	
Travel	184,656.53		125,787.04		(264.29)				
Materials and Supplies	356,724.05	2,839.70	495,856.39		11,140.45		237,142.61		
Communication and Utilities	240,055.10		221,523.26				141,045.34		
Repairs and Maintenance	155,010.66	1,356.00	591,292.34		3,818.64		14,891.86		
Rentals and Leases (Note 8)	65,022.64		215,873.62				25,780.00		
Printing and Reproduction	19,697.95		12,642.05		3,218.42				
Claims and Judgments (Note 17)									
Federal Grant Pass-Through Expenditures (Sch. 1A)	1,176,719.47								
State Grant Pass-Through Expenditures (Sch. 1B)	(39,651.26)								
Intergovernmental Payments	410,485.51								84,614,161.23
Public Assistance Payments	319,980.94				8,905.18				
Other Expenditures	2,117,690.97	7,066.01	1,315,128.65		2.62	10,488.26	3,364,787.75	145.49	
Debt Service:									
Principal - Capital Leases	303,893.08								
Interest									
Other Financing Fees									
Capital Outlay	611,366.00		77,643.53				32,029,560.82		
TOTAL EXPENDITURES	17,131,380.99	281,508.83	29,263,626.38	0.00	26,821.02	11,385,526.22	0.00	42,283,013.24	84,888,449.23
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5,043,215.43	(118,980.58)	(29,191,635.16)	17,789.92	2,294.82	(2,608,477.02)	0.00	(42,283,013.24)	(84,888,449.23)
Transfers In	154,816.04		34,727,208.35	5,598,153.66			23,284,873.81	84,086,014.99	84,888,449.23
Transfers Out	8,644.40		(6,145,243.28)	(11,225,861.55)	(2,085.30)		(47,044,178.80)		
Sale of Capital Assets	201,918.88		48.18	31,666.68					
Insurance Recoveries									
Legislative Financing Sources (Note 12)									
Legislative Financing Uses									
Appropriations Lapsed									
TOTAL OTHER FINANCING SOURCES (USES)	365,379.32	0.00	28,582,013.25	(5,596,041.21)	(2,085.30)	0.00	23,284,873.81	37,041,836.19	84,888,449.23
NET CHANGE IN FUND BALANCE	5,408,594.75	(118,980.58)	(609,621.91)	(5,578,251.29)	209.52	(2,608,477.02)	23,284,873.81	(5,241,177.05)	0.00
FUND FINANCIAL STATEMENT - FUND BALANCES									
FUND BALANCES - August 31, 2022	14,716,729.03	966,398.79	600,656.03	19,241,301.92	0.00	10,827,420.36	21,656,485.92		0.00
Restatements (Note 14)						(165,637.28)		(23,808.00)	
FUND BALANCE - August 31, 2022, As Restated	14,716,729.03	966,398.79	600,656.03	19,241,301.92	0.00	10,661,783.08	21,656,485.92	(23,808.00)	0.00
FUND BALANCES - August 31, 2023 (Exhibit A-1)	20,125,323.78	847,418.21	(8,965.88)	13,663,050.63	209.52	8,053,306.06	44,941,359.73	(5,264,985.05)	0.00

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

UNAUDITED

SUSPENSE ACCOUNTS							TOTALS	
DEPARTMENTAL	DIRECT DEPOSIT	CHILD SUPPORT	PURCH/LEASE	LOCAL			(EXH. II)	
SUSPENSE	CORRECTION	ADDENDA DEDUCTS	LAND VAC TRUST	JURISDICTION	SALES TAX	UNAPPROPRIATED	2023	2022
FUND (0900)	ACCOUNT	OFFSET ACCOUNT	ACCOUNT	FUND (0873)	FUND (0882)	FUND (0001)		
U/F (0900)(0902)	U/F (0980)(0981)	FUND (0807)	U/F (0873)	U/F (0882)	U/F (0882)	U/F (0111)		
\$	\$	\$	\$	\$	\$	\$	\$	\$
							12,063,954.00	212,374,969.00
							759,882.88	1,014,500.24
							1,205,475,773.19	1,312,423,058.06
							573,119.55	399,042.84
							0.00	0.00
						(1.40)	5,397,802.27	18,976,940.64
							1,147,970.46	221,982.57
						(36,135.37)	(18,345.45)	66,025.01
							0.00	0.00
							7,141,716.21	7,010,532.17
							10,671,851.66	705,289.96
							92,724,162.93	64,205,681.73
						0.00		
0.00	0.00	0.00	0.00	0.00	0.00	(36,136.77)	1,335,937,887.70	1,617,398,022.22
							49,796,031.40	45,523,179.06
							15,608,700.76	13,938,624.62
							785,933,089.26	701,434,726.93
							668,081.48	384,841.00
							1,940,637.15	1,290,386.19
							1,041,642.22	880,045.41
							1,997,343.60	2,082,915.20
							1,525,727.19	1,368,656.12
							59,648.38	50,649.82
							0.00	25,619.60
							2,680,924.27	4,415,205.60
							(39,651.26)	49,874.49
							579,556,619.30	446,136,744.15
							159,366,948.67	176,403,381.95
							15,513,152.39	11,663,591.20
							0.00	
							2,948,388.69	2,841,182.84
							0.00	0.00
							0.00	0.00
							43,539,530.68	21,258,993.49
0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,662,136,814.18	1,429,748,617.67
0.00	0.00	0.00	0.00	0.00	0.00	(36,136.77)	(326,198,926.48)	187,649,404.55
							241,148,321.72	438,915,030.42
							(66,771,256.63)	(370,897,986.59)
							244,401.90	165,755.70
							0.00	(1,508.29)
							(0.00)	0.00
							0.00	0.00
							642,733.15	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	175,264,200.14	68,181,291.24
0.00	0.00	0.00	0.00	0.00	0.00	(36,136.77)	(150,934,726.34)	255,830,695.79
0.00	0.00	0.00	26,123.67	(1.00)	36,139.35		556,721,029.13	300,874,134.87
0.00	0.00	0.00	26,123.67	(1.00)	36,139.35		(226,574.09)	16,198.47
0.00	0.00	0.00	26,123.67	(1.00)	36,139.35		556,494,455.04	300,890,333.34
0.00	0.00	0.00	26,123.67	(1.00)	2.58		405,559,728.70	556,721,029.13

UNAUDITED
Texas General Land Office and Veterans' Land Board

EXHIBIT B-1

COMBINING BALANCE SHEET

SPECIAL REVENUE FUNDS

August 31, 2023

(With comparative memorandum totals for August 31, 2022)

	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 on Hand				
Cash in Bank				
Cash in State Treasury		686,718.26	(506,449.81)	(25,817.98)
Cash Equivalents				
Receivables:				
Federal			356,453.00	550,458.00
Interest and Dividends		2,315.66	(2,267.98)	14.80
Accounts Receivable				
Due From:				
Other Funds		1,039,117.83	509,305.52	122,603.00
Other Agencies				
Consumable Inventories				
Prepaid Items				
Total Current Assets	0.00	1,728,151.75	357,040.73	647,257.82
TOTAL ASSETS	0.00	1,728,151.75	357,040.73	647,257.82
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Current Liabilities:				
Payables:				
Vouchers and Accounts		13,389.55	357,040.73	15,028.00
Payroll		141,530.87		
Retainage				
Due To:				
Other Funds		946,808.33		
Other Agencies				
Unearned Revenues		626,423.00		
Total Current Liabilities	0.00	1,728,151.75	357,040.73	15,028.00
TOTAL LIABILITIES	0.00	1,728,151.75	357,040.73	15,028.00
FUND FINANCIAL STATEMENT - FUND BALANCES				
Fund Balances (Note 1):				
Non-Spendable for Inventory				
Non-Spendable for Prepaid Items				
Non-Spendable for Long Term Loans				
Restricted		0.00	0.00	632,229.82
Committed				
Assigned				
Unassigned				
TOTAL FUND BALANCES (Exhibit B-2)	0.00	0.00	0.00	632,229.82
TOTAL LIABILITIES AND FUND BALANCES	0.00	1,728,151.75	357,040.73	647,257.82

*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 (6007)	TEXAS STATE VETERANS CEMETERIES FUND (0374) U/F (6666)	COUNTY RIGHT-OF-WAY FUND (0808) U/F (7000-7078)*	TOTALS (EXH. I)	
					2023	2022
\$	\$		\$	\$	\$	\$
					0.00	0.00
					0.00	0.00
1,193,499.31	(844,110.43)	(429,896.01)	2,105.00	3,101,009.07	3,177,057.41	8,043,554.39
					0.00	0.00
1,202,115.26	154,972.00				2,263,998.26	2,365,331.58
4,765.32	(3,426.15)	(1,427.61)		12,113.64	12,087.68	10,099.90
				524,675.58	524,675.58	792,321.62
136,561.76	876,015.66	431,967.08			3,115,570.85	192,788.00
					0.00	0.00
					0.00	0.00
					0.00	0.00
<u>2,536,941.65</u>	<u>183,451.08</u>	<u>643.46</u>	<u>2,105.00</u>	<u>3,637,798.29</u>	<u>9,093,389.78</u>	<u>11,404,095.49</u>
<u>2,536,941.65</u>	<u>183,451.08</u>	<u>643.46</u>	<u>2,105.00</u>	<u>3,637,798.29</u>	<u>9,093,389.78</u>	<u>11,404,095.49</u>
116,456.07	183,451.08	643.46			686,008.89	806,389.84
					141,530.87	126,691.40
					0.00	0.00
					946,808.33	1,628,303.78
1,056,260.26				3,104,204.45	4,160,464.71	4,156,624.47
					626,423.00	563,965.00
<u>1,172,716.33</u>	<u>183,451.08</u>	<u>643.46</u>	<u>0.00</u>	<u>3,104,204.45</u>	<u>6,561,235.80</u>	<u>7,281,974.49</u>
<u>1,172,716.33</u>	<u>183,451.08</u>	<u>643.46</u>	<u>0.00</u>	<u>3,104,204.45</u>	<u>6,561,235.80</u>	<u>7,281,974.49</u>
					0.00	0.00
					0.00	0.00
					0.00	0.00
1,364,225.32	0.00		2,105.00	533,593.84	2,532,153.98	4,122,121.00
					0.00	0.00
					0.00	0.00
					0.00	0.00
<u>1,364,225.32</u>	<u>0.00</u>	<u>0.00</u>	<u>2,105.00</u>	<u>533,593.84</u>	<u>2,532,153.98</u>	<u>4,122,121.00</u>
<u>2,536,941.65</u>	<u>183,451.08</u>	<u>643.46</u>	<u>2,105.00</u>	<u>3,637,798.29</u>	<u>9,093,389.78</u>	<u>11,404,095.49</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, 2023

(With comparative memorandum totals for the year ended August 31, 2022)

	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		30.00	598,883.00	193,489.00
Licenses, Fees, and Permits				
Interest and Other Investment Income		12,998.30	(4,187.04)	17,244.42
Land Income				
Settlement of Claims				
Sale of Goods and Services			440.85	
Other Revenues		1,560.76	634.56	
TOTAL REVENUES	0.00	14,589.06	595,771.37	210,733.42
EXPENDITURES				
Salaries and Wages		1,237,863.20		
Payroll Related Costs		491,902.62		
Professional Fees and Services		96,047.26	19,455.94	750,000.00
Travel		28,306.89	246.28	
Materials and Supplies		34,037.79	75,880.69	22,635.31
Communication and Utilities		10,504.41	99,645.23	1,422.46
Repairs and Maintenance		4,199.32	29,285.03	45,487.50
Rentals and Leases (Note 8)		125.00		
Printing and Reproduction		3,160.92		
Claims and Judgments				
Other Expenditures		26,805.60	2,124,664.55	646.16
Debt Service:				
Principal				
Interest				
Other Financing Fees				
Capital Outlay			265,807.31	16,373.27
TOTAL EXPENDITURES	0.00	1,932,953.01	2,614,985.03	836,564.70
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	0.00	(1,918,363.95)	(2,019,213.66)	(625,831.28)
OTHER FINANCING SOURCES (USES)				
Transfers In		3,232,694.84	1,951,930.80	(624,473.46)
Transfers Out		(1,262,416.25)		403,234.31
Sale of Capital Assets			1,478.80	837.05
Increase in Obligation - Capital Leases (Note 5)				
TOTAL OTHER FINANCING SOURCES (USES)	0.00	1,970,278.59	1,953,409.60	(220,402.10)
NET CHANGE IN FUND BALANCE	0.00	51,914.64	(65,804.06)	(846,233.38)
FUND FINANCIAL STATEMENT - FUND BALANCES				
FUND BALANCES - August 31, 2022		(51,914.64)	65,804.06	1,478,463.20
Restatements (Note 14)				
Fund Balances - August 31, 2022, As Restated	0.00	(51,914.64)	65,804.06	1,478,463.20
Appropriations Lapsed				
FUND BALANCES - August 31, 2023 (Exhibit B-1)	0.00	0.00	0.00	632,229.82

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 (6007)	TEXAS STATE VETERANS CEMETERIES FUND (0374) U/F (6666)	COUNTY RIGHT-OF-WAY FUND (0808) U/F (7000-7078)*	TOTALS (EXH. II)	
					2023	2022
\$	\$	\$	\$	\$	\$	\$
808,955.52	347,040.00				1,948,397.52	4,498,943.21
					0.00	0.00
54,313.32	(6,216.31)	(2,059.28)		102,287.71	174,381.12	34,890.84
					5,900,473.27	7,482,534.87
					0.00	0.00
					440.85	170.21
2,443.00	5,540.93		400.00		10,579.25	4,654.59
865,711.84	346,364.62	(2,059.28)	400.00	6,002,760.98	8,034,272.01	12,021,193.72
					1,237,863.20	1,201,066.48
					491,902.62	338,077.67
51,725.51	1,254,089.76	429,236.17			2,600,554.64	1,654,154.34
348.50	306.77	593.75			29,802.19	10,445.20
129,636.83	43,728.17				305,918.79	302,161.51
31,715.22	26,546.14	77.88			169,911.34	179,630.10
67,241.49	72,189.39				218,402.73	259,581.08
1,880.96	4,149.55				6,155.51	11,875.39
502.00					3,662.92	27.53
					0.00	0.00
971,141.18	8,555.47				3,131,812.96	2,371,330.28
					0.00	0.00
					0.00	0.00
					0.00	0.00
270,180.19	294,055.85				846,416.62	2,861,664.96
1,524,371.88	1,703,621.10	429,907.80	0.00	0.00	9,042,403.52	9,190,014.54
(658,660.04)	(1,357,256.48)	(431,967.08)	400.00	6,002,760.98	(1,008,131.51)	2,831,179.18
801,955.14	1,163,079.13	431,967.08			6,957,153.53	5,561,150.19
(418,776.39)				(6,264,306.39)	(7,542,264.72)	(5,740,320.52)
407.37	552.46				3,275.68	4,033.06
					0.00	0.00
383,586.12	1,163,631.59	431,967.08	0.00	(6,264,306.39)	(581,835.51)	(175,137.27)
(275,073.92)	(193,624.89)	0.00	400.00	(261,545.41)	(1,589,967.02)	2,656,041.91
1,639,299.24	193,624.89		1,705.00	795,139.25	4,122,121.00	1,327,241.39
					0.00	138,837.70
1,639,299.24	193,624.89	0.00	1,705.00	795,139.25	4,122,121.00	1,466,079.09
1,364,225.32	0.00	0.00	2,105.00	533,593.84	2,532,153.98	4,122,121.00

UNAUDITED
Texas General Land Office and Veterans' Land Board

EXHIBIT C-1

COMBINING BALANCE SHEET
PERMANENT FUNDS

August 31, 2023

(With comparative memorandum totals for August 31, 2022)

	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	54,127,524.88	46,142,354.98
Receivables:		
Interest and Dividends		
Accounts	37,149,026.31	66,435.60
Due From:		
Other Funds	1,801.62	29,203.00
Prepaid Items	1,071.68	
Land Sale Notes Receivable		
Total Current Assets	<u>91,279,424.49</u>	<u>46,237,993.58</u>
Noncurrent Assets:		
Receivables:		
Land Sale Notes Receivable		
Investments in Real Assets at Fair Value (Note 3)		
Total Noncurrent Assets	<u>0.00</u>	<u>0.00</u>
TOTAL ASSETS	<u>91,279,424.49</u>	<u>46,237,993.58</u>
DEFERRED OUTFLOW OF RESOURCES		
Deferred Outflows of Resources		
TOTAL DEFERRED OUTFLOW OR RESOURCES	<u>0.00</u>	<u>0.00</u>
LIABILITIES		
Current Liabilities:		
Payables:		
Vouchers and Accounts	450,246.35	406,153.94
Payroll	1,548,344.29	
Other Funds	9,151.50	
Unearned Revenues	5,161,898.87	6,969,842.48
Total Current Liabilities	<u>7,169,641.01</u>	<u>7,375,996.42</u>
Non-Current Liabilities:		
Total Non-Current Liabilities	<u>0.00</u>	<u>0.00</u>
TOTAL LIABILITIES	<u>7,169,641.01</u>	<u>7,375,996.42</u>
DEFERRED INFLOW OF RESOURCES		
Deferred Inflows of Resources		
TOTAL DEFERRED INFLOW OR RESOURCES	<u>0.00</u>	<u>0.00</u>
FUND FINANCIAL STATEMENT - FUND BALANCES		
Fund Balances (Note 1):		
Non-Spendable for Permanent Fund Corpus	84,108,711.80	38,861,997.16
Non-Spendable for Prepaid	1,071.68	
Restricted		
TOTAL FUND BALANCES (Exhibit C-2)	<u>84,109,783.48</u>	<u>38,861,997.16</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. I)	
	2023	2022
	\$	\$
336,333.68	336,333.68	717,150.96
396,877,767.07	497,147,646.93	1,257,476,811.32
2,102,063.81	2,102,063.81	2,037,383.62
22,603,677.62	59,819,139.53	321,241,972.51
51,160.83	82,165.45	203,348.38
	1,071.68	394.14
(2,640.52)	(2,640.52)	24,809.78
<u>421,968,362.49</u>	<u>559,485,780.56</u>	<u>1,581,701,870.71</u>
21,486.15	21,486.15	18,845.59
<u>6,144,059,408.12</u>	<u>6,144,059,408.12</u>	<u>12,584,524,698.55</u>
<u>6,144,080,894.27</u>	<u>6,144,080,894.27</u>	<u>12,584,543,544.14</u>
<u>6,566,049,256.76</u>	<u>6,703,566,674.83</u>	<u>14,166,245,414.85</u>
	0.00	0.00
0.00	0.00	0.00
25,471,309.31	26,327,709.60	8,546,372.46
162,990.82	1,711,335.11	1,629,923.85
43,785.70	52,937.20	262,862.06
<u>169,909,487.34</u>	<u>182,041,228.69</u>	<u>217,702,867.80</u>
<u>195,587,573.17</u>	<u>210,133,210.60</u>	<u>228,142,026.17</u>
0.00	0.00	0.00
<u>195,587,573.17</u>	<u>210,133,210.60</u>	<u>228,142,026.17</u>
	0.00	0.00
0.00	0.00	0.00
6,312,088,609.59	6,435,059,318.55	13,918,822,059.54
	1,071.68	394.14
<u>58,373,074.00</u>	<u>58,373,074.00</u>	<u>19,280,935.00</u>
<u>6,370,461,683.59</u>	<u>6,493,433,464.23</u>	<u>13,938,103,388.68</u>

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, 2023

(With comparative memorandum totals for the year ended August 31, 2022)

	PERMANENT FUNDS FUND (0044) U/F (0007)	PERMANENT FUNDS FUND (0044) U/F (0010)
	\$	\$
REVENUES		
Licenses, Fees, and Permits	1,483,707.48	
Interest and Other Investment Income	11,689,517.77	
Gain (Loss) on Sale of Sovereign Land		
Net Increase (Decrease) in Fair Value of Investments		
Land Income	24,879,734.01	4,729,411.33
Sales of Goods and Services		
Increase in Obligations - Leases		
Other Revenues	5,532,590.11	(76,211.82)
TOTAL REVENUES	43,585,549.37	4,653,199.51
EXPENDITURES/EXPENSES		
Salaries and Wages	14,243,190.59	
Payroll Related Costs	3,979,142.78	
Professional Fees and Services	3,474,856.54	2,806,508.65
Travel	138,559.98	
Materials and Supplies	1,540,387.25	
Communication and Utilities	354,209.64	
Repairs and Maintenance	316,735.51	
Rentals and Leases	42,185.43	
Printing and Reproduction	18,327.18	
Claims and Judgments	5,142.27	
Intergovernmental Payments		
Public Assistance Payments		
Other Expenditures	971,599.42	2,707,791.69
Debt Service:		
Principal	219,879.31	
Capital Outlay	118,427.77	
TOTAL EXPENDITURES/EXPENSES	25,422,643.67	5,514,300.34
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES	18,162,905.70	(861,100.83)
OTHER FINANCING SOURCES (USES)		
Transfers In	7,038.69	
Transfers Out	(7,038.69)	(8,643,630.66)
Transfers Out to Available School Fund		
Transfers Out to Permanent School Fund Liquid Account		
Sale of Capital Assets	242.69	
TOTAL OTHER FINANCING SOURCES (USES)	242.69	(8,643,630.66)
NET CHANGE IN FUND BALANCE/NET POSITION	18,163,148.39	(9,504,731.49)
FUND FINANCIAL STATEMENT - FUND BALANCE		
FUND BALANCE - August 31, 2022, As Restated	65,946,635.09	48,366,728.65
Restatements (Note 14)		
FUND BALANCE - August 31, 2022, As Restated	65,946,635.09	48,366,728.65
FUND BALANCE - August 31, 2023 (Exhibit C-1)	84,109,783.48	38,861,997.16

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)	
	2023	2022
	\$	\$
264,028.86	1,747,736.34	10,161,935.62
213,020,219.58	224,709,737.35	285,556,553.98
809,349.71	809,349.71	285,152.27
(175,289,536.26)	(175,289,536.26)	4,383,285,208.55
1,560,746,579.89	1,590,355,725.23	2,073,076,179.96
22,123,521.79	22,123,521.79	103,363,954.37
	0.00	1,405,237.09
(5,493,475.02)	(37,096.73)	395,194.46
<u>1,616,180,688.55</u>	<u>1,664,419,437.43</u>	<u>6,857,529,416.30</u>
1,499,246.14	15,742,436.73	15,527,660.91
388,225.90	4,367,368.68	5,017,178.36
814,301.90	7,095,667.09	4,524,261.51
7,036.32	145,596.30	112,507.04
75,622,008.40	77,162,395.65	89,947,475.95
112,564.14	466,773.78	1,031,409.39
	316,735.51	330,612.30
	42,185.43	33,618.45
	18,327.18	27,065.47
	5,142.27	0.00
	0.00	0.00
	0.00	0.00
774,905.24	4,454,296.35	1,186,446.83
	219,879.31	143,979.17
	<u>118,427.77</u>	<u>1,567,947.37</u>
<u>79,218,288.04</u>	<u>110,155,232.05</u>	<u>119,450,162.75</u>
<u>1,536,962,400.51</u>	<u>1,554,264,205.38</u>	<u>6,738,079,253.55</u>
	7,038.69	194,732.74
(8,875,290,741.86)	(8,883,941,411.21)	(194,732.74)
(115,000,000.00)	(115,000,000.00)	(415,000,000.00)
	0.00	(1,150,000,000.00)
	<u>242.69</u>	<u>102.17</u>
<u>(8,990,290,741.86)</u>	<u>(8,998,934,129.83)</u>	<u>(1,564,999,897.83)</u>
<u>(7,453,328,341.35)</u>	<u>(7,444,669,924.45)</u>	<u>5,173,079,355.72</u>
13,823,790,024.94	13,938,103,388.68	8,765,027,043.36
	0.00	(3,010.40)
<u>13,823,790,024.94</u>	<u>13,938,103,388.68</u>	<u>8,765,024,032.96</u>
<u>6,370,461,683.59</u>	<u>6,493,433,464.23</u>	<u>13,938,103,388.68</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, 2023
(With comparative memorandum totals for August 31, 2022)

	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 (Note ²)	VET HSG BDS RESERVE FUND (0527) U/F (0527)
	\$	\$	\$	\$	\$
ASSETS					
Current Assets:					
Cash and Cash Equivalents (Note 3)					
Cash in State Treasury	40,385,266.62	835,110.39	771,334,948.11	184,391,228.00	9,841,744.58
Cash Equivalents	2,895,773.77	(158,604.00)	6,773,446.87	2,928,548.37	
Loans Receivables:					
Housing Mortgages	2,808,658.63	3,283,030.67	47,218,059.90	8,183,006.88	
Home Improvement Loans		292,423.42	527,363.22	847,713.12	
Interest and Dividends Receivables:					
Investment Interest	257,453.44	10,365.42	3,149,107.13	869,844.19	
Housing Mortgages Interest					
Home Improvement Loans Interest					
Accounts Receivable (Net of Allowance for Uncollectibles)	538,909.65	251,666.72	9,046,167.06	975,054.84	
Due from Other Funds	1,207,049.74	4,893,864.62	414,138.61	52,959.71	
Total Current Assets	48,093,111.85	9,407,857.24	838,463,230.90	198,248,355.11	9,841,744.58
Noncurrent Assets:					
Investments - Securities at Market Value (Note 3)					
Hedging Derivative Instrument			151,185,856.24	9,463,029.45	
Loans Receivables:					
Housing Mortgages	102,625,093.44	116,479,159.91	1,725,128,961.04		
Home Improvement Loans		4,604,346.75	8,254,858.28		
Total Noncurrent Assets	102,625,093.44	121,083,506.66	1,884,569,675.56	321,808,156.62	0.00
TOTAL ASSETS	150,718,205.29	130,491,363.90	2,723,032,906.46	520,056,511.73	9,841,744.58
DEFERRED OUTFLOW OF RESOURCES					
Deferred Outflow of Resources		1,274,925.34	10,895,269.51	5,899,742.19	
TOTAL DEFERRED OUTFLOW OF RESOURCES	0.00	1,274,925.34	10,895,269.51	5,899,742.19	0.00
LIABILITIES					
Current Liabilities:					
Accounts Payable	21,496.43	36,832.83	1,728,146.83	107,733.94	
Debt Service Interest Payable					
Due to Other Funds	4,894,146.39	313,658.34	398,228.63	961,979.32	
Bonds Payable (Net of Unamortized Discounts and Premiums)					
General Obligation		4,765,000.00	192,865,000.00	36,985,000.00	
Total Current Liabilities	4,915,642.82	5,115,491.17	194,991,375.46	38,054,713.26	0.00
Noncurrent Liabilities:					
Bonds Payable (Net of Unamortized Discounts and Premiums)					
General Obligation		59,005,000.00	2,408,425,000.00	442,225,000.00	
Hedging Derivative Instruments		1,274,925.34	10,895,269.51	5,899,742.19	
Total Noncurrent Liabilities	0.00	60,279,925.34	2,419,320,269.51	448,124,742.19	0.00
TOTAL LIABILITIES	4,915,642.82	65,395,416.51	2,614,311,644.97	486,179,455.45	0.00
DEFERRED INFLOW OF RESOURCES					
Deferred Inflow of Resources			151,185,856.24	9,463,029.45	
TOTAL DEFERRED INFLOW OF RESOURCES	0.00	0.00	151,185,856.24	9,463,029.45	0.00
NET POSITION					
Restricted for the Veterans' Land Board	145,802,562.47	66,370,872.73	(31,569,325.24)	30,313,769.02	9,841,744.58
TOTAL NET POSITION (Exhibit D-2a)	145,802,562.47	66,370,872.73	(31,569,325.24)	30,313,769.02	9,841,744.58

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

Note¹ U/F (0808 - 0826, 0831 - 0855)

Note² U/F (0828 and 0856)

UNAUDITED

VET HSG MORT RESERVE FUND (0528) U/F (0528)	TOTALS (EXH. III)	
	2023	2022
	\$	\$
18,582,234.81	1,025,370,532.51	668,568,142.16
	12,439,165.01	652,727,864.21
	61,492,756.08	50,886,494.70
	1,667,499.76	1,768,671.67
	4,286,770.18	1,172,031.26
	0.00	5,202,893.05
	0.00	162,711.32
	10,811,798.27	14,237.85
	6,568,012.68	32,837,627.04
<u>18,582,234.81</u>	<u>1,122,636,534.49</u>	<u>1,413,340,673.26</u>
	0.00	7,824,217.06
	160,648,885.69	76,420,341.70
	2,243,230,692.44	1,654,898,902.46
	26,206,854.15	28,561,907.09
<u>0.00</u>	<u>2,430,086,432.28</u>	<u>1,767,705,368.31</u>
<u>18,582,234.81</u>	<u>3,552,722,966.77</u>	<u>3,181,046,041.57</u>
	18,069,937.04	43,524,154.51
<u>0.00</u>	<u>18,069,937.04</u>	<u>43,524,154.51</u>
	1,894,210.03	1,112,779.34
	0.00	219,273.59
	6,568,012.68	6,629,152.82
	234,615,000.00	223,390,000.00
<u>0.00</u>	<u>243,077,222.71</u>	<u>231,351,205.75</u>
	2,909,655,000.00	2,670,900,000.00
	18,069,937.04	43,524,154.51
<u>0.00</u>	<u>2,927,724,937.04</u>	<u>2,714,424,154.51</u>
<u>0.00</u>	<u>3,170,802,159.75</u>	<u>2,945,775,360.26</u>
	160,648,885.69	76,420,341.70
<u>0.00</u>	<u>160,648,885.69</u>	<u>76,420,341.70</u>
<u>18,582,234.81</u>	<u>239,341,858.37</u>	<u>202,374,494.12</u>
<u>18,582,234.81</u>	<u>239,341,858.37</u>	<u>202,374,494.12</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, 2023

(With comparative memorandum totals for August 31, 2022)

	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	115,757,000.56	953,102.57	181,934.45
Cash Equivalents	792,255.77		(47,257.26)
Loans Receivables:			
Land Contracts	2,214,432.36	82,997.68	99,185.83
Land Mortgages	5,628,233.82		
Interest and Dividends Receivables:			
Investment Interest	485,076.76		
Land Contracts	252,965.15	3,499.60	4,656.93
Land Mortgages	1,988,639.96		
Accounts Receivable (Net of Allowance for Uncollectibles)	151,743.01		
Due from Other Funds	1,058,450.38	79,317.08	
Total Current Assets	128,328,997.77	1,118,916.93	238,519.95
Noncurrent Assets:			
Investments - Securities at Market Value (Note 3)	2,000,000.00		
Derivative Instruments (Note 3)	98,936.97		
Loans Receivables:			
Land Contracts	13,775,139.94	303,874.43	853,356.38
Land Mortgages	336,779,373.96		
Property Acquired Through Foreclosure (Note 33)			
Land Contracts			
Depreciable Capital Assets (Note 2):			
Furniture and Equipment	271,441.49		
Less Accumulated Depreciation	(157,620.01)		
Non-Depreciable Capital Assets:			
Computer Software			
Less Accumulated Amortization			
Total Noncurrent Assets	352,767,272.35	303,874.43	853,356.38
TOTAL ASSETS	481,096,270.12	1,422,791.36	1,091,876.33
DEFERRED OUTFLOW OF RESOURCES			
Hedging Derivative Instruments	1,546,295.56		583,633.70
TOTAL DEFERRED OUTFLOW OF RESOURCES	1,546,295.56	0.00	583,633.70

TOTALS (EXH. III)	
2023	2022
\$	\$
200.00	200.00
116,892,037.58	31,182,012.54
744,998.51	147,957,361.40
2,396,615.87	3,960,600.23
5,628,233.82	5,066,973.26
485,076.76	246,554.36
261,121.68	304,262.11
1,988,639.96	1,984,265.16
151,743.01	(2,334,208.66)
1,137,767.46	1,141,331.88
<u>129,686,434.65</u>	<u>189,509,352.28</u>
2,000,000.00	5,958,500.00
98,936.97	(127,594.48)
14,932,370.75	18,037,833.74
336,779,373.96	301,636,640.43
0.00	168,207.02
271,441.49	271,441.49
(157,620.01)	(131,178.81)
0.00	79,534.49
0.00	(79,534.49)
<u>353,924,503.16</u>	<u>325,813,849.39</u>
<u>483,610,937.81</u>	<u>515,323,201.67</u>
2,129,929.26	5,790,134.49
<u>2,129,929.26</u>	<u>5,790,134.49</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, 2023
(With comparative memorandum totals for August 31, 2022)

	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	3,551,153.96		6,629.39
Debt Service Interest Payable	12,417.76		
Due to Other Funds	2,248,799.35		
Unearned Revenues	99,911.05	0.10	
Bonds Payable (Net of Unamortized Discounts and Premiums):			
General Obligation	15,060,000.00		790,000.00
Total Current Liabilities	<u>20,972,282.12</u>	<u>0.10</u>	<u>796,629.39</u>
Noncurrent Liabilities:			
Bonds Payable (Net of Unamortized Discounts and Premiums):			
General Obligation	58,275,000.00		8,955,000.00
Hedging Derivative Instrument	1,546,295.56		583,633.70
Total Noncurrent Liabilities	<u>59,821,295.56</u>	<u>0.00</u>	<u>9,538,633.70</u>
TOTAL LIABILITIES	<u>80,793,577.68</u>	<u>0.10</u>	<u>10,335,263.09</u>
DEFERRED INFLOW OF RESOURCES			
Deferred Inflow of Resources			
TOTAL DEFERRED INFLOW OF RESOURCES	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
NET POSITION			
Invested in Capital Assets, Net of Related Debt	113,821.48		
Restricted for the Veterans' Land Board	401,735,166.52	1,422,791.26	(8,659,753.06)
TOTAL NET POSITION (Exhibit D-2b)	<u>401,848,988.00</u>	<u>1,422,791.26</u>	<u>(8,659,753.06)</u>

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

TOTALS (EXH. III)	
2023	2022
3,557,783.35	59,678.66
12,417.76	11,072.07
2,248,799.35	73,318.39
99,911.15	87,162.05
<u>15,850,000.00</u>	<u>16,075,000.00</u>
<u>21,768,911.61</u>	<u>16,306,231.17</u>
67,230,000.00	83,080,000.00
<u>2,129,929.26</u>	<u>5,790,134.49</u>
<u>69,359,929.26</u>	<u>88,870,134.49</u>
<u>91,128,840.87</u>	<u>105,176,365.66</u>
<u>0.00</u>	<u>0.00</u>
<u>0.00</u>	<u>0.00</u>
113,821.48	10,879.72
<u>394,498,204.72</u>	<u>415,926,090.78</u>
<u><u>394,612,026.20</u></u>	<u><u>415,936,970.50</u></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, 2023
(With comparative memorandum totals for August 31, 2022)

	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	10,534,555.80	6,574,773.34	2,646,462.88	3,544,874.16	1,882,746.00	19,791,916.09
Cash Equivalents						
Receivables:						
Federal Receivables	1,392,130.70	1,842,347.35	1,210,077.25	907,019.73		
Interest Receivables	38,182.51	26,684.62	7,508.07	11,350.13		95,473.07
Accounts Receivable	97,921.98	195,437.22	105,505.12	88,189.87		
Allowance for Doubtful Accounts	(27,443.79)	(9,613.89)	(2,297.71)	(13,726.67)		
Due from Other Funds	33.48		2,413.11			
Due from Other Agencies						
Prepaid Items			90.02			
Total Current Assets	12,035,380.68	8,629,628.64	3,969,758.74	4,537,707.22	1,882,746.00	19,887,389.16
Non-Current Assets:						
Capital Assets (Note 2):						
Depreciable Capital Assets:						
Furniture and Equipment	71,442.93	76,469.00	165,588.08	94,401.60		
Less Accumulated Depreciation	(42,175.82)	(38,159.30)	(61,231.30)	(69,595.91)		
Buildings	16,320,088.25	16,124,917.09	16,772,173.84	15,946,445.41		
Less Accumulated Depreciation	(11,894,733.41)	(11,617,173.78)	(11,824,099.11)	(11,246,476.59)		
Facilities and Other Improvements						
Less Accumulated Depreciation						
Non-Depreciable Capital Assets:						
Construction in Progress						
Land	480,000.00	66,000.00	155,000.00	40,000.00		
Amortizable Intangible Assets:						
Computer Software						
Less Accumulated Amortization						
Total Non-Current Assets	4,934,621.95	4,612,053.01	5,207,431.51	4,764,774.51	0.00	0.00
TOTAL ASSETS	16,970,002.63	13,241,681.65	9,177,190.25	9,302,481.73	1,882,746.00	19,887,389.16
LIABILITIES						
Current Liabilities:						
Payables:						
Vouchers and Accounts Payable (Note 1)	2,791,546.04	3,433,116.27	2,783,806.01	2,129,545.09		
Due to Other Funds				578.28	4,026.10	
Unearned Revenues					1,882,746.00	
Total Current Liabilities	2,791,546.04	3,433,116.27	2,783,806.01	2,130,123.37	1,886,772.10	0.00
Non-Current Liabilities:						
Claims and Judgments (Note 17)						
Total Non-Current Liabilities	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL LIABILITIES	2,791,546.04	3,433,116.27	2,783,806.01	2,130,123.37	1,886,772.10	0.00
NET POSITION						
Invested in Capital Assets, Net of Related Debt	4,934,621.95	4,612,053.01	5,207,431.51	4,764,774.51		
Restricted for the Texas State Veterans' Home Program	9,243,834.64	5,196,512.37	1,185,952.73	2,407,583.85	(4,026.10)	19,887,389.16
TOTAL NET POSITION	14,178,456.59	9,808,565.38	6,393,384.24	7,172,358.36	(4,026.10)	19,887,389.16

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)	
							2023	2022
\$	\$	\$	\$	\$	\$		\$	\$
6,253,037.46	9,087,204.97	12,222,467.13	1,011,693.90	12,132,690.79	1,914,490.13	8,588,339.80	96,185,252.45 0.00	46,697,284.56 22,932,828.08
2,547,417.36	1,531,872.99	1,820,632.25	1,285,308.37	1,611,416.86	2,075,412.39		16,223,635.25	13,510,685.30
21,835.63	32,796.95	44,588.94	977.43	44,340.71	8,015.17	33,911.73	365,664.96	65,948.88
153,514.66	257,105.64	280,319.15	594,934.77	355,036.95			2,127,965.36	2,225,853.72
(5,772.19)	(20,287.02)	(7,293.17)	(379,374.90)	(62,417.33)			(528,226.67)	(571,908.39)
	32,109.61	27,380.09	30,239.60	12,842.76			105,018.65	442,410.31
						888,055.10	888,055.10	640,951.12
	546.80		715.71				1,352.53	485.40
8,970,032.92	10,921,349.94	14,388,094.39	2,544,494.88	14,093,910.74	3,997,917.69	9,510,306.63	115,368,717.63	85,944,538.98
253,257.88	108,791.95	184,406.68	228,617.15	132,464.37		109,282.12	1,424,721.76	1,161,058.84
(215,195.67)	(85,154.74)	(113,870.86)	(108,611.00)	(105,001.96)		(38,482.20)	(877,478.76)	(742,346.16)
17,627,301.50	16,720,139.45	15,140,905.87	15,532,115.43	41,279,725.97		147,564.00	171,611,376.81	170,315,654.41
(9,858,916.45)	(10,538,747.77)	(9,498,007.31)	(10,140,286.28)	(9,629,609.26)		(5,841.00)	(96,253,890.96)	(90,106,079.79)
			22,963.00				22,963.00	22,963.00
			(13,585.14)				(13,585.14)	(12,437.10)
1,821,121.75	638,842.79	688,863.00	924,564.72		22,555,713.53	2,763,846.07	29,392,951.86	13,943,473.42
	1,300,000.00	650,000.00	808,500.00	540,000.00	1,800,000.00		5,839,500.00	5,839,500.00
							0.00	136,115.00
							0.00	(136,115.00)
9,627,569.01	8,143,871.68	7,052,297.38	7,254,277.88	32,217,579.12	24,355,713.53	2,976,368.99	111,146,558.57	100,421,786.62
18,597,601.93	19,065,221.62	21,440,391.77	9,798,772.76	46,311,489.86	28,353,631.22	12,486,675.62	226,515,276.20	186,366,325.60
2,474,640.16	2,346,713.08	2,847,497.31	1,892,766.99	2,395,423.22		200,000.00	23,295,054.17	15,236,640.99
						408,184.07	412,788.45	52,428.74
							1,882,746.00	313,007.22
2,474,640.16	2,346,713.08	2,847,497.31	1,892,766.99	2,395,423.22	0.00	608,184.07	25,590,588.62	15,602,076.95
							0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,474,640.16	2,346,713.08	2,847,497.31	1,892,766.99	2,395,423.22	0.00	608,184.07	25,590,588.62	15,602,076.95
9,627,569.01	8,143,871.68	7,052,297.38	7,254,277.88	32,217,579.12	24,355,713.53	2,976,368.99	111,146,558.57	100,421,786.62
6,495,392.76	8,574,636.86	11,540,597.08	651,727.89	11,698,487.52	3,997,917.69	8,902,122.56	89,778,129.01	70,342,462.03
16,122,961.77	16,718,508.54	18,592,894.46	7,906,005.77	43,916,066.64	28,353,631.22	11,878,491.55	200,924,687.58	170,764,248.65

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 Year Ended August 31, 2023

(With comparative memorandum totals for August 31, 2022)

	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 (Note ²)	VET HSG BDS RESERVE FUND (0527) U/F (0527)
OPERATING REVENUES	\$	\$	\$	\$	\$
Interest on Housing Mortgages	3,474,360.33	3,789,407.50	54,617,226.24	7,484,048.36	
Interest on Home Improvement Loans		94,454.40	189,424.62	411,271.92	
Interest on Land Contracts					
Revenue Transfer Within Fund					
Miscellaneous Income			38,625.00	84,075.00	
TOTAL OPERATING REVENUES	3,474,360.33	3,883,861.90	54,845,275.86	7,979,395.28	0.00
OPERATING EXPENSES					
Professional Fees and Services	77,683.98	80,171.58	936,828.17	327,536.84	
Repairs and Maintenance	10,944.00				
Printing and Reproduction			250.00	250.00	
Debt Service Interest	69.95	3,715,054.33	76,527,799.73	17,738,995.04	
Other Operating Expenses	13.66	1,275.00	9,636,517.03	628,622.42	
TOTAL OPERATING EXPENSES	88,711.59	3,796,500.91	87,101,394.93	18,695,404.30	0.00
OPERATING INCOME (LOSS) (Exhibit D-3a)	3,385,648.74	87,360.99	(32,256,119.07)	(10,716,009.02)	0.00
NONOPERATING REVENUES (EXPENSES)					
Investment Income	1,833,483.65	773,662.23	32,166,480.08	2,212,167.77	78,706.80
Net Increase (Decrease) in Fair Value of Investments	66,000.00	93,629.50	27,266,134.47	359,618.55	
Gain (Loss) on Housing Mortgage and Home Improvement Loans	175.00	45,614.53	(309,911.63)	(12,427.76)	
Settlement of Claims					
Borrower Rebate/Agent Fees - Securities Lending	11,636.47		11,512.55	5,395.03	
TOTAL NONOPERATING REVENUES (EXPENSES)	1,911,295.12	912,906.26	59,134,215.47	2,564,753.59	78,706.80
INCOME (LOSS) BEFORE OTHER REVENUES, (EXPENSES), GAINS/(LOSSES) AND TRANSFERS	5,296,943.86	1,000,267.25	26,878,096.40	(8,151,255.43)	78,706.80
OTHER REVENUES, (EXPENSES), GAINS/(LOSSES), AND TRANSFERS					
Transfers In	7,011,449.74	2,255,325.18	39,209,805.31	47,944,614.79	
Transfers Out	(14,261,943.07)	(2,614,965.79)	(32,286,606.45)	(33,569,822.39)	(2,251,916.64)
TOTAL OTHER REVENUES, (EXPENSES), GAINS/(LOSSES), AND TRANSFERS	(7,250,493.33)	(359,640.61)	6,923,198.86	14,374,792.40	(2,251,916.64)
CHANGE IN NET POSITION	(1,953,549.47)	640,626.64	33,801,295.26	6,223,536.97	(2,173,209.84)
NET POSITION - August 31, 2022	147,753,646.66	65,745,507.58	(65,691,151.84)	24,090,230.81	12,014,954.42
Restatements (Note 14)	2,465.28	(15,261.49)	320,531.34	1.24	
NET POSITION - August 31, 2022, as Restated	147,756,111.94	65,730,246.09	(65,370,620.50)	24,090,232.05	12,014,954.42
NET POSITION - August 31, 2023 (Exhibit D-1a)	145,802,562.47	66,370,872.73	(31,569,325.24)	30,313,769.02	9,841,744.58

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

Note¹ U/F (0808 - 0826, 0831 - 0855)

Note² U/F (0828 and 0856)

VET HSG MORT RESERVE FUND (0528) U/F (0528)	TOTALS (EXH. IV)	
	2023	2022
	\$	\$
	69,365,042.43	43,287,672.61
	695,150.94	872,593.72
	0.00	429.41
	0.00	12,378.50
	122,700.00	130,540.85
<u>0.00</u>	<u>70,182,893.37</u>	<u>44,303,615.09</u>
	1,422,220.57	1,047,017.55
	10,944.00	10,944.00
	500.00	250.00
	97,981,919.05	57,304,854.18
	10,266,428.11	6,556,122.46
<u>0.00</u>	<u>109,682,011.73</u>	<u>64,919,188.19</u>
<u>0.00</u>	<u>(39,499,118.36)</u>	<u>(20,615,573.10)</u>
120,942.71	37,185,443.24	7,891,094.67
	27,785,382.52	(19,108,772.35)
	(276,549.86)	14,457,414.89
	0.00	74,652.00
	28,544.05	103,723.98
<u>120,942.71</u>	<u>64,722,819.95</u>	<u>3,418,113.19</u>
120,942.71	25,223,701.59	(17,197,459.91)
(14.39)	96,421,195.02	23,286,406.04
	(84,985,268.73)	(38,862,000.00)
<u>(14.39)</u>	<u>11,435,926.29</u>	<u>(15,575,593.96)</u>
120,928.32	36,659,627.88	(32,773,053.87)
18,461,306.49	202,374,494.12	235,147,547.99
	307,736.37	0.00
<u>18,461,306.49</u>	<u>202,682,230.49</u>	<u>235,147,547.99</u>
<u>18,582,234.81</u>	<u>239,341,858.37</u>	<u>202,374,494.12</u>

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, 2023

(With comparative memorandum totals for the year ended August 31, 2022)

	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	22,700,605.21	8,702.66	63,601.66
Miscellaneous Income	503,590.80		
TOTAL OPERATING REVENUES	23,204,196.01	8,702.66	63,601.66
OPERATING EXPENSES			
Professional Fees and Services	1,792,762.16		
Materials and Supplies	166,097.58		
Repairs and Maintenance	10,944.00		
Depreciation and Amortization	26,441.20		
Debt Service Interest	5,331,819.12		413,155.80
Other Operating Expenses	476,990.08		47,043.88
TOTAL OPERATING EXPENSES	7,805,054.14	0.00	460,199.68
OPERATING INCOME (LOSS) (Exhibit D-3b)	15,399,141.87	8,702.66	(396,598.02)
NONOPERATING REVENUES (EXPENSES)			
Investment Income	5,473,324.17		9,252.02
Net Increase (Decrease) in Fair Value of Investments	347,164.87		
Gain (Loss) on Land Loans	1,142,264.34		
Borrower Rebate/Agent Fees-Sec. Lending	11,804.85		
TOTAL NONOPERATING REVENUES (EXPENSES)	6,974,558.23	0.00	9,252.02
INCOME (LOSS) BEFORE OTHER REVENUES, (EXPENSES), GAINS/(LOSSES) AND TRANSFERS	22,373,700.10	8,702.66	(387,346.00)
OTHER REVENUES, (EXPENSES), GAINS/(LOSSES), AND TRANSFERS			
Transfers In	(10,797.32)		620,000.00
Transfers Out	(43,764,004.94)		
TOTAL OTHER REVENUES, (EXPENSES), GAINS/(LOSSES), AND TRANSFERS	(43,774,802.26)	0.00	620,000.00
CHANGE IN NET POSITION	(21,401,102.16)	8,702.66	232,654.00
NET POSITION - August 31, 2022	423,244,986.09	1,584,391.47	(8,892,407.06)
Restatements (Note 14)	5,104.07	(170,302.87)	
NET POSITION - August 31, 2022, as Restated	423,250,090.16	1,414,088.60	(8,892,407.06)
NET POSITION - August 31, 2023 (Exhibit D-1b)	401,848,988.00	1,422,791.26	(8,659,753.06)

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

TOTALS (EXH. IV)	
2023	2022
\$	\$
22,772,909.53	21,779,686.83
503,590.80	374,639.66
<u>23,276,500.33</u>	<u>22,154,326.49</u>
1,792,762.16	1,591,719.89
166,097.58	182,925.42
10,944.00	10,944.00
26,441.20	20,636.96
5,744,974.92	5,845,327.64
524,033.96	360,178.31
<u>8,265,253.82</u>	<u>8,011,732.22</u>
<u>15,011,246.51</u>	<u>14,142,594.27</u>
5,482,576.19	2,191,100.16
347,164.87	(21,374,891.75)
1,142,264.34	13,821,035.03
11,804.85	(11,804.85)
<u>6,983,810.25</u>	<u>(5,374,561.41)</u>
<u>21,995,056.76</u>	<u>8,768,032.86</u>
609,202.68	12,060,964.11
(43,764,004.94)	(11,471,941.81)
<u>(43,154,802.26)</u>	<u>589,022.30</u>
(21,159,745.50)	9,357,055.16
415,936,970.50	406,935,867.89
(165,198.80)	(355,952.55)
<u>415,771,771.70</u>	<u>406,579,915.34</u>
<u><u>394,612,026.20</u></u>	<u><u>415,936,970.50</u></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, 2023

(With comparative memorandum totals for the year ended August 31, 2022)

	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	13,360,149.51	10,694,216.07	9,283,962.63	9,312,337.66		
Resident Payments (Net of Provisions for Bad Debt)	1,905,655.93	1,772,638.71	1,400,770.32	1,218,779.83	(33,297.74)	
Medicare Reimbursements (Net of Provisions for Bad Debt)	385,560.44	626,889.24	615,511.90	465,254.65		
Medicaid Revenues (Net of Provisions for Bad Debt)	384,775.83	453,145.13	420,470.56	749,761.97		
Other Assistance Payments (Net of Provisions for Bad Debt)	3,864.21	(3,538.22)	555.92	3,858.46		
Third Party Reimbursements	95.00	2,216.74		8,393.94		
Revenue Transfers Within Fund						
Miscellaneous Income	3,543.38	1,465.52	136.68	3,175.86		
TOTAL OPERATING REVENUES	16,043,644.30	13,547,033.19	11,721,408.01	11,761,562.37	(33,297.74)	0.00
OPERATING EXPENSES						
Professional Fees and Services	11,284,173.96	12,011,456.05	10,250,579.23	9,508,964.70		
Travel	5,254.12	5,243.56	12,475.18	14,128.83		
Materials and Supplies	428,146.11	529,556.78	297,209.45	402,413.55		
Communications and Utilities	4,057.74	2,423.89	2,065.88	3,492.40		
Repairs and Maintenance	126,585.50	105,498.98	128,992.36	181,702.50		
Depreciation and Amortization	372,314.21	372,172.12	604,429.36	475,144.97		
Interest Expense	5,937.29	5,722.71	2,459.92	5,493.34		
Other Operating Expenses				41,800.00		
TOTAL OPERATING EXPENSES	12,226,468.93	13,032,074.09	11,298,211.38	10,633,140.29	0.00	0.00
OPERATING INCOME (LOSS) (Exhibit D-3c)	3,817,175.37	514,959.10	423,196.63	1,128,422.08	(33,297.74)	0.00
NONOPERATING REVENUES/(EXPENSES)						
Federal Revenues	12,289.37	27,158.37	8,783.85	22,644.31		
Federal Pass-Through Revenues						
Gifts/Pledges/Donations	2,050.00	2,200.00	1,791.00	8,334.00		
Investment Income	271,529.88	204,280.08	24,429.30	62,299.67		1,103,850.22
Net Increase (Decrease) in Fair Value of Investments						
Gain/(Loss) on Sale of Capital Asset	50.00					
TOTAL NONOPERATING REVENUES/(EXPENSES)	285,919.25	233,638.45	35,004.15	93,277.98	0.00	1,103,850.22
INCOME/(LOSS) BEFORE OTHER REVENUES, (EXPENSES), GAINS/(LOSSES) AND TRANSFERS	4,103,094.62	748,597.55	458,200.78	1,221,700.06	(33,297.74)	1,103,850.22
OTHER REVENUES, (EXPENSES), GAINS/(LOSSES), AND TRANSFERS						
Transfers In	(220,642.46)	3,167.53	6,362.11	8,914.32		
Transfers Out	(97,142.79)	(320,952.78)	(324,147.36)	(326,699.57)		(6,188,776.71)
TOTAL OTHER REVENUES, (EXPENSES), GAINS/(LOSSES), AND TRANSFERS	(317,790.61)	(317,785.25)	(317,785.25)	(317,785.25)	0.00	(6,188,776.71)
CHANGE IN NET POSITION	3,785,304.01	430,812.30	140,415.53	903,914.81	(33,297.74)	(5,084,926.49)
NET POSITION, August 31, 2022	10,393,700.62	9,379,178.62	6,241,925.29	6,268,443.55	29,271.64	24,972,315.65
Restatements (Note 14)	(548.04)	(1,425.54)	11,043.42			
NET POSITION - AUGUST 31, 2022, as RESTATED	10,393,152.58	9,377,753.08	6,252,968.71	6,268,443.55	29,271.64	24,972,315.65
NET POSITION - August 31, 2023 (Exhibit D-1c)	14,178,456.59	9,808,565.38	6,393,384.24	7,172,358.36	(4,026.10)	19,887,389.16

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)	
							2023	2022
\$	\$	\$	\$	\$	\$		\$	\$
10,488,553.86	12,005,208.14	14,611,844.76	8,095,930.05	15,507,801.70			103,360,004.38	83,443,053.69
1,706,077.82	2,173,972.03	2,353,170.35	1,547,820.46	1,082,163.13			15,127,750.84	12,505,497.69
261,752.01	750,416.05	846,944.70	723,842.22	609,754.35			5,285,925.56	5,097,171.70
1,270,878.13	1,159,862.12	405,861.01	446,784.32	2,213,792.55			7,505,331.62	7,007,221.51
310,357.45	13,339.99	10,397.37	51,335.42	51,243.52			441,414.12	330,659.37
101,200.00		25.00	182.00	(61,976.99)		808,950.00	859,085.69	450,507.98
							0.00	225,000.00
	1,030.84	1,285.84	797.55				11,435.67	3,712.19
14,138,819.27	16,103,829.17	18,229,529.03	10,866,692.02	19,402,778.26	0.00	808,950.00	132,590,947.88	109,062,824.13
11,184,558.95	11,929,116.63	13,208,735.54	9,356,688.69	12,564,251.48	418,647.26	5,589,936.80	107,307,109.29	101,315,648.99
15,451.58	15,173.19	16,874.69	19,287.94	16,405.58	8,888.32	9,939.39	139,122.38	108,469.74
418,838.80	413,119.63	487,404.93	310,044.46	418,942.26	257.71		3,705,933.68	2,305,896.65
2,490.78	3,143.68	3,611.97	3,684.58	1,167.00			26,137.92	52,517.95
67,169.84	298,809.77	232,922.20	198,102.71	35,343.34			1,375,127.20	350,271.95
762,677.58	487,361.00	504,464.76	491,029.05	2,211,735.21		20,768.04	6,302,096.30	7,473,824.33
1,721.33	5,079.98	1,224.12	1,763.07	3,506.87			32,908.63	5,527.14
		9.31			51.30	617,087.00	658,947.61	1,599,510.95
12,452,908.86	13,151,803.88	14,455,247.52	10,380,600.50	15,251,351.74	427,844.59	6,237,731.23	119,547,383.01	113,211,667.70
1,685,910.41	2,952,025.29	3,774,281.51	486,091.52	4,151,426.52	(427,844.59)	(5,428,781.23)	13,043,564.87	(4,148,843.57)
1,516,509.11	525,847.00	193,415.93	426,102.95	25,150.00	10,183,065.17		12,940,966.06	21,688,429.68
						3,591,844.83	3,591,844.83	16,942,071.60
9,382.00	1,832.76	108.00	750.00				26,447.76	37,629.62
140,743.54	247,652.61	339,489.61	3,744.48	318,347.34	6,918.01	367,500.49	3,090,785.23	355,772.00
							0.00	17,666.67
							50.00	2,375.00
1,666,634.65	775,332.37	533,013.54	430,597.43	343,497.34	10,189,983.18	3,959,345.32	19,650,093.88	39,043,944.57
3,352,545.06	3,727,357.66	4,307,295.05	916,688.95	4,494,923.86	9,762,138.59	(1,469,435.91)	32,693,658.75	34,895,101.00
334,723.91	(74,704.12)	2,027.44	(11,644.86)		6,188,774.41		6,236,978.28	23,620,875.45
(652,509.16)	(243,081.13)	(319,812.69)	(306,140.39)				(8,779,262.58)	(39,398,907.17)
(317,785.25)	(317,785.25)	(317,785.25)	(317,785.25)	0.00	6,188,774.41	(0.00)	(2,542,289.66)	(15,778,031.72)
3,034,759.81	3,409,572.41	3,989,509.80	598,903.70	4,494,923.86	15,950,913.00	(1,469,435.91)	30,151,369.09	19,117,069.28
13,088,201.96	13,308,936.13	14,603,384.66	7,307,102.07	39,421,142.78	12,402,718.22	13,347,927.46	170,764,248.65	151,573,752.09
							9,069.84	73,427.28
13,088,201.96	13,308,936.13	14,603,384.66	7,307,102.07	39,421,142.78	12,402,718.22	13,347,927.46	170,773,318.49	151,647,179.37
16,122,961.77	16,718,508.54	18,592,894.46	7,906,005.77	43,916,066.64	28,353,631.22	11,878,491.55	200,924,687.58	170,764,248.65

UNAUDITED
Texas General Land Office and Veterans' Land Board

EXHIBIT D-3a

STATEMENT OF CASH FLOWS

VETERANS' HOUSING ASSISTANCE PROGRAM PROPRIETARY FUNDS

For the Year Ended August 31, 2023

(With comparative memorandum totals for August 31, 2022)

	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 (Note ¹)
	\$	\$	\$	\$
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (Note 1)				
OPERATING ACTIVITIES				
Receipts from Loan Payments	58,926,867.88	13,822,177.33	166,532,086.71	31,674,025.71
Other Operating Cash Receipts			42,925.00	84,075.00
Fundings for Mortgage and Home Improvement Loans	(84,670,112.15)	(58,132,947.89)	(560,518,335.09)	(100,256,325.99)
Payments to Suppliers of Goods and Services	(87,143.23)	(82,070.35)	(8,989,192.77)	(927,569.79)
Payments for Other Expenses	(69.95)	(55.28)	(548.37)	(59.42)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(25,830,457.45)	(44,392,896.19)	(402,933,064.52)	(69,425,854.49)
NONCAPITAL FINANCING ACTIVITIES				
Proceeds from Debt Issuance			250,000,000.00	250,000,000.00
Proceeds from Other Financing Activities	1,390,526.30	702,735.05	55,859,562.54	1,129,225.74
Payments for Debt Service - Principal		(7,070,000.00)	(182,211,956.29)	(61,080,000.00)
Payments for Debt Service - Interest		(3,714,999.05)	(76,742,610.59)	(17,742,857.91)
Transfers from Other Funds		2,255,325.18	65,284,973.20	47,946,384.39
Transfers to Other Funds	(15,444,493.33)	(2,614,965.79)	(58,361,774.34)	(33,571,591.99)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(14,053,967.03)	(10,441,904.61)	53,828,194.52	186,681,160.23
INVESTING ACTIVITIES				
Proceeds from Interest and Investment Income	8,367,273.03	164,768.36	1,659,414.29	591,075.27
Proceeds from Sale of Investments	3,000,000.00		3,778,028.86	1,365,836.30
Payments to Acquire Investments				
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	11,367,273.03	164,768.36	5,437,443.15	1,956,911.57
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(28,517,151.45)	(54,670,032.44)	(343,667,426.85)	119,212,217.31
CASH AND CASH EQUIVALENTS - August 31, 2022	71,798,191.84	55,346,538.83	1,121,775,821.83	68,107,559.06
CASH AND CASH EQUIVALENTS - August 31, 2023	43,281,040.39	676,506.39	778,108,394.98	187,319,776.37
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
OPERATING INCOME (LOSS) (Exhibit D-2a)	3,385,648.74	87,360.99	(32,256,119.07)	(10,716,009.02)
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Classification Differences	111,888.58	3,745,352.09	76,521,175.99	17,726,509.10
(Increase) Decrease in Receivables	(259,353.51)	(77,397.37)	(4,626,148.95)	(469,056.22)
(Increase) Decrease in Loans and Contracts	(28,959,213.80)	(48,225,253.88)	(443,734,041.27)	(75,563,317.56)
(Increase) Decrease in Prepaid Items				
(Increase) Decrease in Other Assets	(110.85)	3,417.90	53,641.45	4,299.76
Increase (Decrease) in Payables	9,264.05	11,891.03	1,112,731.43	(408,292.12)
Increase (Decrease) in Other Liabilities	(118,580.66)	61,733.05	(4,304.10)	11.57
TOTAL ADJUSTMENTS	(29,216,106.19)	(44,480,257.18)	(370,676,945.45)	(58,709,845.47)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(25,830,457.45)	(44,392,896.19)	(402,933,064.52)	(69,425,854.49)
NONCASH TRANSACTIONS				
Change in Fair Value of Investments	(104,670.83)	70,555.31	358,276.53	167,486.74
TOTAL NONCASH TRANSACTIONS	(104,670.83)	70,555.31	358,276.53	167,486.74

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

Note¹ U/F (0808 - 0826, 0831 - 0855)

Note² U/F (0828 and 0856)

UNAUDITED

VET HSG BDS RESERVE FUND (0527) U/F (0527)		VET HSG MORT RESERVE FUND (0528) U/F (0528)		TOTALS (EXH. V)	
		2023		2022	
\$	\$	\$	\$		
		270,955,157.63		334,192,062.06	
		127,000.00		215,163.82	
		(803,577,721.12)		(515,796,514.21)	
		(10,085,976.14)		(8,786,528.21)	
		(733.02)		(107.15)	
0.00	0.00	(542,582,272.65)		(190,175,923.69)	
		500,000,000.00		250,000,000.00	
		59,082,049.63		3,844,921.24	
		(250,361,956.29)		(211,665,000.00)	
		(98,200,467.55)		(59,602,598.84)	
		115,486,682.77		40,286,406.04	
(2,251,916.64)	(14.39)	(112,244,756.48)		(37,609,000.00)	
(2,251,916.64)	(14.39)	213,761,552.08		(14,745,271.56)	
78,706.80	120,942.71	10,982,180.46		74,546,590.31	
		8,143,865.16		698,303,187.14	
		0.00		(219,873,260.19)	
78,706.80	120,942.71	19,126,045.62		552,976,517.26	
(2,173,209.84)	120,928.32	(309,694,674.95)		348,055,322.01	
12,014,954.42	18,461,306.49	1,347,504,372.47		973,240,684.36	
9,841,744.58	18,582,234.81	1,037,809,697.52		1,321,296,006.37	
0.00	0.00	(39,499,118.36)		(20,615,573.10)	
		98,104,925.76		64,901,233.49	
		(5,431,956.05)		10,051,110.65	
		(596,481,826.51)		(234,913,077.15)	
		0.00		4,651.89	
		61,248.26		7,724,240.87	
		725,594.39		(9,611,756.92)	
		(61,140.14)		(7,716,753.42)	
0.00	0.00	(503,083,154.29)		(169,560,350.59)	
0.00	0.00	(542,582,272.65)		(190,175,923.69)	
		491,647.75		(19,839,595.81)	
0.00	0.00	491,647.75		(19,839,595.81)	

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, 2023

(With comparative memorandum totals for the year ended August 31, 2022)

	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	79,228,755.38	149,572.00	338,730.86
Other Operating Cash Receipts	564,492.26		
Fundings for Land Loans	(85,706,224.92)		
Payments to Suppliers of Goods and Services	(2,374,170.59)		(40,414.49)
Payments for Other Expenses	(421.47)		
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(8,287,569.34)	149,572.00	298,316.37
NONCAPITAL FINANCING ACTIVITIES			
Proceeds from Other Financing Activities	4,036,722.22		8,516.35
Payments for Debt Service - Principal	(15,320,000.00)		(755,000.00)
Payments for Debt Service - Interest	(5,331,385.87)		(413,155.80)
Transfers from Other Funds			620,000.00
Transfers to Other Funds	(41,802,522.67)		
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(58,417,186.32)	0.00	(539,639.45)
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	1,294,121.89		47.00
Proceeds from Sale of Investments	4,000,000.00		
Payments to Acquire Investments			
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	5,294,121.89	0.00	47.00
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(61,410,633.77)	149,572.00	(241,276.08)
CASH AND CASH EQUIVALENTS - August 31, 2022	177,960,090.10	803,530.57	375,953.27
CASH AND CASH EQUIVALENTS - August 31, 2023	116,549,456.33	953,102.57	134,677.19
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
OPERATING INCOME (LOSS) (Exhibit D-2b)	15,399,141.87	8,702.66	(396,598.02)
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Depreciation and Amortization	26,441.20		
Classification Differences	6,849,903.92		413,155.80
(Increase) Decrease in Receivables	(2,624,709.71)	89.66	591.03
(Increase) Decrease in Loans and Contracts	(31,448,862.40)	139,777.49	274,538.17
(Increase) Decrease in Other Assets	(1,056.33)	1,002.19	
Increase (Decrease) in Payables	3,492,820.99		6,629.39
Increase (Decrease) in Other Liabilities	18,751.12		
TOTAL ADJUSTMENTS	(23,686,711.21)	140,869.34	694,914.39
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(8,287,569.34)	149,572.00	298,316.37
NONCASH TRANSACTIONS			
Change in Fair Value of Investments	(41,500.00)		
TOTAL NONCASH TRANSACTIONS	(41,500.00)	0.00	0.00

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

UNAUDITED

TOTALS	
(EXH. V)	
2023	2022
\$	\$
79,717,058.24	116,191,631.32
564,492.26	429,147.05
(85,706,224.92)	(92,286,079.27)
(2,414,585.08)	(1,994,624.29)
<u>(421.47)</u>	<u>(47.04)</u>
<u>(7,839,680.97)</u>	<u>22,340,027.77</u>
4,045,238.57	50,147.08
(16,075,000.00)	(22,140,000.00)
(5,744,541.67)	(6,739,244.86)
620,000.00	1,496,500.00
<u>(41,802,522.67)</u>	<u>(8,844,701.26)</u>
<u>(58,956,825.77)</u>	<u>(36,177,299.04)</u>
<u>0.00</u>	<u>0.00</u>
<u>0.00</u>	<u>0.00</u>
1,294,168.89	3,469,120.66
4,000,000.00	100,104,257.78
<u>0.00</u>	<u>(69,403,719.45)</u>
<u>5,294,168.89</u>	<u>34,169,658.99</u>
<u>(61,502,337.85)</u>	<u>20,332,387.72</u>
<u>179,139,573.94</u>	<u>33,208,115.63</u>
<u>117,637,236.09</u>	<u>53,540,503.35</u>
15,011,246.51	15,976,088.04
26,441.20	85,821.42
7,263,059.72	7,437,847.49
(2,624,029.02)	(747,815.02)
(31,034,546.74)	(483,916.28)
(54.14)	301,120.85
3,499,450.38	(96,586.37)
<u>18,751.12</u>	<u>(132,532.36)</u>
<u>(22,850,927.48)</u>	<u>6,363,939.73</u>
<u>(7,839,680.97)</u>	<u>22,340,027.77</u>
<u>(41,500.00)</u>	<u>2,578,977.21</u>
<u>(41,500.00)</u>	<u>2,578,977.21</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, 2023

(With comparative memorandum totals for the year ended August 31, 2022)

	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	1,797,218.86	1,666,303.25	1,166,634.20	1,158,925.35	1,540,467.14	
Receipts from Veterans Administration	12,776,610.70	10,163,478.35	8,924,070.30	9,030,789.29		
Receipts from Medicare	367,708.28	585,816.63	617,427.20	574,114.96		
Receipts from Medicaid	399,304.28	456,527.53	420,996.95	763,481.28		
Receipts from Gifts/Pledges/Donations	2,050.00	2,200.00	1,791.00	8,334.00		
Other Operating Cash Receipts	7,619.22	3,787.71	1,137.68	7,888.59		
Payments to Suppliers of Goods and Services	(9,983,624.64)	(10,295,449.50)	(8,664,518.85)	(8,811,974.63)		
Payment for Other Expenses	(11,096.41)	(10,966.27)	(15,025.12)	(11,228.23)		
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	5,355,790.29	2,571,697.70	2,452,513.36	2,720,330.61	1,540,467.14	0.00
NONCAPITAL FINANCING ACTIVITIES						
Payments for Interest						
Proceeds from Other Financing Activities	241,233.35	184,243.88	18,061.23	52,719.56		970,724.36
Transfers from Other Funds		3,167.53	6,362.11	8,914.32		
Transfers to Other Funds	(317,785.25)	(320,952.78)	(324,147.36)	(326,699.57)		(6,188,776.71)
NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES	(76,551.90)	(133,541.37)	(299,724.02)	(265,065.69)	0.00	(5,218,052.35)
CAPITAL AND RELATED FINANCING ACTIVITIES						
Receipts from Veterans Administration	24,475.00	22,200.00		16,850.00		
Proceeds from Sale of Capital Assets	191,732.43					
Payments for Additions to Capital Assets	(195,935.76)	(46,942.18)	(97,335.51)	(31,699.32)		
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	20,271.67	(24,742.18)	(97,335.51)	(14,849.32)	0.00	0.00
INVESTING ACTIVITIES						
Receipts from Interest and Investment Income						37,652.79
Proceeds from Sale of Investments						
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	0.00	0.00	0.00	0.00	0.00	37,652.79
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,299,510.06	2,413,414.15	2,055,453.83	2,440,415.60	1,540,467.14	(5,180,399.56)
CASH AND CASH EQUIVALENTS - August 31, 2022	5,235,045.74	4,161,359.19	591,009.05	1,104,458.56	342,278.86	24,972,315.65
CASH AND CASH EQUIVALENTS - August 31, 2023	10,534,555.80	6,574,773.34	2,646,462.88	3,544,874.16	1,882,746.00	19,791,916.09
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
OPERATING INCOME (LOSS) (Exhibit D-2c)	3,817,175.37	514,959.10	423,196.63	1,128,422.08	(33,297.74)	0.00
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Depreciation and Amortization	372,314.21	372,172.12	604,429.36	475,144.97		
Classification Differences	2,050.00	2,200.00	1,791.00	8,334.00		
(Increase) Decrease in Receivables	(590,566.21)	(664,932.28)	(458,344.05)	(149,438.09)		
(Increase) Decrease in Other Assets		56,834.22	92,470.19	149.60		
(Increase) Decrease in Prepaid Items			(90.02)			
Increase (Decrease) in Payables	1,754,816.92	2,290,464.54	1,789,060.25	1,257,718.05		
Increase (Decrease) in Other Liabilities					1,573,764.88	
TOTAL ADJUSTMENTS	1,538,614.92	2,056,738.60	2,029,316.73	1,591,908.53	1,573,764.88	0.00
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	5,355,790.29	2,571,697.70	2,452,513.36	2,720,330.61	1,540,467.14	0.00
NONCASH TRANSACTIONS						
Change in Fair Value of Investments						
TOTAL NONCASH TRANSACTIONS	0.00	0.00	0.00	0.00	0.00	0.00

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 V)	
							2023	2022
\$	\$	\$	\$	\$	\$	\$	\$	\$
1,622,982.14	2,040,633.20	2,140,592.13	1,438,227.32	1,018,178.52			15,590,162.11	12,684,035.59
10,499,844.91	11,907,283.27	14,456,018.13	7,949,253.00	15,249,394.38			100,956,742.33	81,232,935.74
262,682.66	820,113.80	899,377.69	774,092.29	386,706.47			5,288,039.98	4,969,664.29
1,279,170.30	1,180,660.19	412,017.95	470,828.42	2,176,688.29			7,559,675.19	7,134,683.27
9,382.00	1,832.76	108.00	750.00				26,447.76	37,779.62
434,635.58	14,902.61	13,357.05	62,255.75	(29,106.67)			516,477.52	12,790,171.59
(10,988,126.65)	(11,633,842.49)	(12,454,087.37)	(9,676,482.29)	(11,696,716.55)	(418,956.27)	(5,598,839.73)	(100,222,618.97)	(123,512,691.88)
(17,172.91)	(21,008.50)	(18,034.59)	(20,548.02)	(7,100.93)	(8,888.32)	(9,939.39)	(151,008.69)	(336,369.75)
3,103,398.03	4,310,574.84	5,449,348.99	998,376.47	7,098,043.51	(427,844.59)	(5,608,779.12)	29,563,917.23	(4,999,791.53)
					(7,561.20)		(7,561.20)	0.00
123,550.38	221,359.38	305,379.23	2,675.40	281,111.44	6,918.01	353,001.34	2,760,977.56	220,828.11
334,723.91		2,027.44			6,188,774.41	4,153,690.85	10,697,660.57	28,214,384.81
(652,509.16)	(317,785.25)	(319,812.69)	(317,785.25)				(9,086,254.02)	(39,774,680.45)
(194,234.87)	(96,425.87)	(12,406.02)	(315,109.85)	281,111.44	6,188,131.22	4,506,692.19	4,364,822.91	(11,339,467.53)
	476,707.78	37,312.08	432,494.13	25,150.00	11,873,183.07		12,908,372.06	5,710,851.94
				44,350.00			236,082.43	192,251.40
(268,142.63)	(611,376.08)	(247,182.49)	(624,545.97)		(15,613,764.17)	(2,818,783.50)	(20,555,707.61)	(11,578,973.82)
(268,142.63)	(134,668.30)	(209,870.41)	(192,051.84)	69,500.00	(3,740,581.10)	(2,818,783.50)	(7,411,253.12)	(5,675,870.48)
							37,652.79	101,217.75
							0.00	19,990,611.11
0.00	0.00	0.00	0.00	0.00	0.00	0.00	37,652.79	20,091,828.86
2,641,020.53	4,079,480.67	5,227,072.56	491,214.78	7,448,654.95	2,019,705.53	(3,920,870.43)	26,555,139.81	(1,923,300.68)
3,612,016.93	5,007,724.30	6,995,394.57	520,479.12	4,684,035.84	(105,215.40)	12,509,210.23	69,630,112.64	71,553,413.32
6,253,037.46	9,087,204.97	12,222,467.13	1,011,693.90	12,132,690.79	1,914,490.13	8,588,339.80	96,185,252.45	69,630,112.64
1,685,910.41	2,952,025.29	3,774,281.51	486,091.52	4,151,426.52	(427,844.59)	(5,428,781.23)	13,043,564.87	(4,148,843.57)
762,677.58	487,361.00	504,464.76	491,029.05	2,211,735.21		20,768.04	6,302,096.30	7,473,824.33
9,382.00	17,927.76	108.00	750.00	12,842.76		79,105.10	134,490.62	15,517,951.15
42,053.34	(43,383.42)	(116,363.29)	(25,555.27)	(504,673.31)			(2,511,202.58)	(14,114,940.20)
		356.99	356.99	(12,842.76)		(888,055.10)	(751,086.86)	11,344,282.26
	(755.33)	14.22	(36.00)				(867.13)	2,289.65
603,374.70	897,399.54	1,287,443.79	45,740.18	1,239,555.09		200,000.00	11,365,573.06	(1,538,312.70)
		(600.00)				408,184.07	1,981,348.95	(19,536,042.45)
1,417,487.62	1,358,549.55	1,675,067.48	512,284.95	2,946,616.99	0.00	(179,997.89)	16,520,352.36	(850,947.96)
3,103,398.03	4,310,574.84	5,449,348.99	998,376.47	7,098,043.51	(427,844.59)	(5,608,779.12)	29,563,917.23	(4,999,791.53)
							0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

TEXAS GENERAL LAND OFFICE
VETERANS' LAND BOARD

SUPPLEMENTARY
SCHEDULES

UNAUDITED ANNUAL FINANCIAL REPORT
AUGUST 31, 2023



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UNAUDITED
Texas General Land Office and Veterans' Land Board

SCHEDULE 1-A

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended August 31, 2023

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	CFDA NUMBER	NSE NAME/ IDENTIFYING NUMBER	PASS-THROUGH FROM			DIRECT PROGRAM AMOUNT	TOTAL
			AGENCY/ UNIV. NUMBER	STATE AGY. OR UNIV. AMOUNT	NON-STATE ENTITIES AMOUNT		PASS-THROUGH FROM & DIRECT PROGRAM
			\$	\$		\$	\$
NON-CLUSTERED PROGRAMS							
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION							
<i>Direct Programs:</i>							
Coastal Zone Management Administration Awards	11.022					1,379,521.84	1,379,521.84
Total National Oceanic and Atmospheric Administration			0.00	0.00		1,379,521.84	1,379,521.84
U.S. DEPARTMENT OF COMMERCE							
<i>Direct Programs:</i>							
Coastal Zone Management Administration Awards	11.419					874,516.59	874,516.59
Pass-Through To:							
Texas A&M AgriLife Extension Service						157,032.75	157,032.75
Texas A&M University - Kingsville						46,264.66	46,264.66
Lamar University						4,739.62	4,739.62
Texas A&M University - Corpus Christi						256,517.91	256,517.91
Parks and Wildlife Department						199,012.00	199,012.00
Other Non-State Entities						730,466.45	730,466.45
Total U.S. Department of Commerce			0.00	0.00		2,268,549.98	2,268,549.98
U.S. DEPARTMENT OF THE TREASURY							
<i>Direct Programs:</i>							
COVID-19 Coronavirus Relief Fund	21.019					5,882.51	5,882.51
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027						
Pass-Through From:							
Governor- Fiscal			300	3,527,043.83			3,527,043.83
Total U.S. Department of the Treasury			3,527,043.83	0.00		5,882.51	3,532,926.34
GULF COAST ECOSYSTEM RESTORATION COUNCIL							
<i>Direct Programs:</i>							
Gulf Coast Ecosystem Restoration Council	87.051						
Comprehensive Plan Component Program							
Pass-Through From:							
Texas Commission on Environmental Quality			582	166,409.79			166,409.79
Total Gulf Coast Ecosystem Restoration Council			166,409.79	0.00		0.00	166,409.79
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT							
<i>Direct Programs:</i>							
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228					583,902,167.69	583,902,167.69
Pass-Through To:							
Texas A&M AgriLife Extension						250,301.16	250,301.16
Texas Division of Emergency Management						811,853.79	811,853.79
Texas Water Development Board						322,806.05	322,806.05
Other Non-State Entities						603,693,394.10	603,693,394.10
Total U.S. Department of Housing and Urban Development			0.00	0.00		1,188,980,522.79	1,188,980,522.79
U.S. DEPARTMENT OF THE INTERIOR							
<i>Direct Programs:</i>							
Marine Minerals Activities	15.424					772,677.30	772,677.30
Coastal	15.630					773,656.53	773,656.53
National Wildlife Refuge System Enhancements	15.654					10,321,952.16	10,321,952.16
Total U.S. Department of the Interior			0.00	0.00		11,868,285.99	11,868,285.99

UNAUDITED

PASS-THROUGH TO				TOTAL
AGENCY/ UNIV. NUMBER	STATE AGY. OR UNIV. AMOUNT	NON-STATE ENTITIES AMOUNT	EXPENDITURES AMOUNT	PASS-THROUGH TO & EXPENDITURES
\$	\$	\$	\$	\$
			1,379,521.84	1,379,521.84
	0.00	0.00	1,379,521.84	1,379,521.84
			874,516.59	874,516.59
555	157,032.75			157,032.75
732	46,264.66			46,264.66
734	4,739.62			4,739.62
760	256,517.91			256,517.91
802	199,012.00			199,012.00
		730,466.45		730,466.45
	663,566.94	730,466.45	874,516.59	2,268,549.98
			5,882.51	5,882.51
			3,527,043.83	3,527,043.83
	0.00	0.00	3,532,926.34	3,532,926.34
			166,409.79	166,409.79
	0.00	0.00	166,409.79	166,409.79
			583,902,167.69	583,902,167.69
555	250,301.16			250,301.16
575	811,853.79			811,853.79
580	322,806.05			322,806.05
		603,693,394.10		603,693,394.10
	1,384,961.00	603,693,394.10	583,902,167.69	1,188,980,522.79
			772,677.30	772,677.30
			773,656.53	773,656.53
			10,321,952.16	10,321,952.16
	0.00	0.00	11,868,285.99	11,868,285.99

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UNAUDITED
Texas General Land Office and Veterans' Land Board

SCHEDULE 1-A (continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended August 31, 2023

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	CFDA NUMBER	NSE NAME/ IDENTIFYING NUMBER	PASS-THROUGH FROM			TOTAL	
			AGENCY/ UNIV. NUMBER	STATE AGY. OR UNIV. AMOUNT	NON-STATE ENTITIES AMOUNT	DIRECT PROGRAM AMOUNT	PASS-THROUGH FROM & DIRECT PROGRAM
			\$	\$	\$	\$	\$
U.S. DEPARTMENT OF VETERANS AFFAIRS							
Direct Programs:							
Grants to States for Construction of State Home Facilities	64.005					12,820,766.06	12,820,766.06
Payments to States for Programs to Promote the Hiring and Retention of Nurses at State Veterans Homes	64.053					120,200.00	120,200.00
Veterans State Nursing Home Care	64.015					103,360,004.38	103,360,004.38
Burial Expenses Allowance for Veterans	64.101					1,347,299.00	1,347,299.00
Veterans Cemetary Grants Program	64.203					601,068.52	601,068.52
Total U.S. Department of Veterans Affairs			0.00	0.00		118,249,337.96	118,249,337.96
U.S. ENVIRONMENTAL PROTECTION AGENCY							
Direct Programs:							
Multipurpose Grants to States and Tribes	66.204					184,023.18	184,023.18
Beach Monitoring and Notification Program Implementation Grants	66.472					125,847.37	125,847.37
Total U.S. Environmental Protection Agency			0.00	0.00		309,870.55	309,870.55
U.S. DEPARTMENT OF HOMELAND SECURITY							
Direct Programs:							
Disaster Grants - Public Assistance (Presidentially-Declared Disasters)	97.036		575	406,709.76			406,709.76
COVID 19 - Disaster Grants - Public Assistance (Presidentially-Declared Disasters)	97.036						
Pass-Through From:							
Texas Division of Emergency Management			575	64,801.00			64,801.00
Total U.S. Department of Homeland Security				471,510.76	0.00	0.00	471,510.76
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						103,103.78	103,103.78
University of Texas at Arlington						38,183.46	38,183.46
Texas A&M University - Galveston						63,109.48	63,109.48
University of Texas at Austin						122,418.37	122,418.37
Texas State University						180,808.07	180,808.07
University of Houston - Clear Lake						6,407.60	6,407.60
Total U.S. Department of Housing and Urban Development			0.00	0.00		514,030.76	514,030.76
Direct Programs:							
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228						
Pass-Through From:							
University of Texas at Austin						118,365.57	118,365.57
Total U.S. Department of Commerce			0.00	0.00		118,365.57	118,365.57
CDBG ENTITLEMENT GRANTS CLUSTER							
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT							
Direct Programs:							
Community Development Block Grants/Entitlement Grants	14.218					27,237.71	27,237.71
Total U.S. Department of Housing and Urban Development			0.00	0.00		27,237.71	27,237.71
TOTAL EXPENDITURES OF FEDERAL AWARDS			4,164,964.38	0.00		1,323,721,605.66	1,327,886,570.04

UNAUDITED

AGENCY/ UNIV. NUMBER	PASS-THROUGH TO		EXPENDITURES AMOUNT	TOTAL
	STATE AGY. OR UNIV. AMOUNT	NON-STATE ENTITIES AMOUNT		PASS-THROUGH TO & EXPENDITURES
	\$	\$	\$	\$
			12,820,766.06	12,820,766.06
			120,200.00	120,200.00
			103,360,004.38	103,360,004.38
			1,347,299.00	1,347,299.00
			601,068.52	601,068.52
	0.00	0.00	118,249,337.96	118,249,337.96
			184,023.18	184,023.18
			125,847.37	125,847.37
	0.00	0.00	309,870.55	309,870.55
			406,709.76	406,709.76
			64,801.00	64,801.00
	0.00	0.00	471,510.76	471,510.76
556	103,103.78			103,103.78
714	38,183.46			38,183.46
718	63,109.48			63,109.48
721	122,418.37			122,418.37
754	180,808.07			180,808.07
759	6,407.60			6,407.60
	514,030.76	0.00	0.00	514,030.76
721	118,365.57			118,365.57
	118,365.57	0.00	0.00	118,365.57
			27,237.71	27,237.71
	0.00	0.00	27,237.71	27,237.71
	2,680,924.27	604,423,860.55	720,781,785.22	1,327,886,570.04

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, 2023

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)	1,207,424,140.71
Federal Pass-Through Revenues (Exhibit II)	573,119.55
Federal Non-Operating Revenues (Exhibit IV)	12,940,966.06
Federal Non-Operating Pass-Through Revenues (Exhibit IV)	3,591,844.83
Federal Revenues (Exhibit IV)	<u>103,360,004.38</u>
Subtotal	1,327,890,075.53
Reconciling Items:	
U.S. Coast Guard National Pollution Funds Center	<u>(3,505.49)</u>
TOTAL PASS-THROUGH TO AND EXPENDITURES PER FEDERAL SCHEDULE	<u><u>1,327,886,570.04</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 09/01/22 - CFDA 11.419	582,162.89
Increase (Decrease) - CFDA 11.419	161,834.04
Federal Deferred Revenue 08/31/23 - CFDA 11.419	<u>743,996.93</u>
Federal Deferred Revenue 09/01/22 - CFDA 14.228	1,976,304.81
Increase (Decrease) - CFDA 14.228	852,046.88
Federal Deferred Revenue 08/31/23 - CFDA 14.228	<u>2,828,351.69</u>
Total Federal Deferred Revenue 08/31/2023	<u><u>3,572,348.62</u></u>

NOTE 8 - DISASTER GRANTS - PUBLIC ASSISTANCE (CFDA 97.036)
After a presidentially declared disaster, FEMA provides Disaster Grants - Public Assistance (Presidentially Declared Disasters) (CFDA 97.036) to reimburse eligible costs associated with repair, replacement or restoration of disaster-damaged facilities. The federal government makes reimbursements in the form of cost-shared grants that require state matching funds. In fiscal 2023, FEMA approved \$116,939.42 in eligible expenditures that were incurred in a prior year, and are included in SEFA.

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, 2023

	TOTAL STATE PASS-THROUGH FROM/TO STATE AGENCIES
	\$
STATE PASS-THROUGH TO:	
Texas A&M Engineering Experiment Station (Agency 712)	49,874.49
Developing UAV and satellite tools for ocean currents for oil transport	49,874.49
TOTAL STATE PASS-THROUGH TO OTHER AGENCIES (EXHIBIT II)	49,874.49

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SCHEDULE 2-A

MISCELLANEOUS BOND INFORMATION

For the Year Ended August 31, 2023

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 \$								
<i>Veterans' Housing Assistance Bonds</i>								
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 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
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 2014B-1	90,700,000.00	VAR	VAR		Monthly	2014	2024	04-01-2014
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
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
Veterans Bonds, Ser 2021	250,000,000.00	VAR	VAR		Weekly	2021	2051	01-13-2021
Veterans Bonds, Ser 2022	250,000,000.00	VAR	VAR		Weekly	2023	2053	06-29-2022
Veterans Bonds, Ser 2023	250,000,000.00	VAR	VAR		Weekly	2024	2054	04-20-2023
Veterans Bonds, Tax Ser 2023A	250,000,000.00	VAR	VAR		Weekly	2024	2054	07-20-2023
Total, Veterans' Housing Assistance Bonds	4,814,195,000.00							
BUSINESS-TYPE ACTIVITIES								
General Obligation Bonds - Self-Supporting (concluded) \$								
<i>Veterans' Land Bonds</i>								
Vet Land Bds Ser 2002	20,000,000.00	VAR	VAR		Weekly	2003	2032	02-21-2002
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-3	70,965,000.00	VAR	VAR		Monthly	2014	2030	07-01-2014
Vet Land Tax Ref Bds Ser 2014C-4	113,910,000.00	VAR	VAR		Monthly	2014	2027	07-01-2014
Total, Veterans' Land Bonds	253,975,000.00							
Total, General Obligation Bonds - Self-Supporting	5,068,170,000.00							
Total, All Bonds	5,068,170,000.00							

⁽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.

UNAUDITED
Texas General Land Office and Veterans' Land Board

SCHEDULE 2-B

CHANGES IN BONDED INDEBTEDNESS

For the Year Ended 08/31/2023

BUSINESS-TYPE ACTIVITIES

DESCRIPTION OF ISSUE	BONDS OUTSTANDING 09-01-2022	BONDS ISSUED FY 2023	BONDS MATURED OR RETIRED	BONDS REFUNDED OR EXTINGUISHED	PAR VALUE ADJUSTMENTS
General Obligation Bonds - Self-Supporting	\$	\$	\$	\$	
<i>Veterans' Housing Assistance Bonds</i>					
Vet Hsg Fund II Bds Ser 2001A-2	17,350,000.00		2,125,000.00		
Vet Hsg Fund II Bds Ser 2001C-2	21,995,000.00		750,000.00		
Vet Hsg Fund II Bds Ser 2002A-2	26,360,000.00		1,365,000.00		
Vet Hsg Fund II Bds Ser 2003A	14,950,000.00		1,470,000.00		
Vet Hsg Fund II Bds Ser 2003B	16,000,000.00		1,540,000.00		
Vet Hsg Fund II Bds Ser 2004A	15,775,000.00		1,490,000.00		
Vet Hsg Fund II Bds Ser 2004B	18,115,000.00		1,620,000.00		
Vet Hsg Fund II Bds Ser 2005A	17,850,000.00		1,580,000.00		
Vet Hsg Fund II Bds Ser 2005B	17,660,000.00		1,540,000.00		
Vet Hsg Fund II Bds Ser 2006A	21,005,000.00		1,480,000.00		
Vet Hsg Fund II Bds Ser 2006D	21,905,000.00		1,580,000.00		
Vet Hsg Fund II Bds Ser 2007A	22,565,000.00		1,480,000.00		
Vet Hsg Fund II Bds Ser 2007B	23,110,000.00		1,670,000.00		
Vet Hsg Fund II Bds Ser 2008A	23,840,000.00		1,520,000.00		
Vet Hsg Fund II Bds Ser 2008B	24,925,000.00		1,520,000.00		
Veterans Bonds, Ser 2010C	43,655,000.00		2,685,000.00		
Veterans Bonds, Ser 2011A	43,065,000.00		2,720,000.00		
Veterans Bonds, Ser 2011B	43,955,000.00		2,755,000.00		
Veterans Bonds, Ser 2011C	44,765,000.00		2,800,000.00		
Veterans Bonds, Ser 2012A	44,180,000.00		2,900,000.00		
Veterans Bonds, Ser 2012B	57,345,000.00		3,955,000.00		
Veterans Bonds, Ser 2013A	63,660,000.00		3,655,000.00		
Veterans Bonds, Ser 2013B	95,685,000.00		6,030,000.00		
Veterans Bonds, Tax Ref Ser 2013C	179,860,000.00		21,750,000.00		
Veterans Bonds, Ser 2014A	99,405,000.00		6,145,000.00		
Veterans Bonds, Tax Ref Ser 2014B-1	13,335,000.00		4,565,000.00		
Veterans Bonds, Tax Ref Ser 2014C-1	57,505,000.00		2,505,000.00		
Veterans Bonds, Tax Ref Ser 2014C-2	110,430,000.00		12,700,000.00	26,630,000.00	
Veterans Bonds, Ser 2014D	67,500,000.00		4,215,000.00		
Veterans Bonds, Ser 2015A	85,690,000.00		5,165,000.00		
Veterans Bonds, Ser 2015B	90,640,000.00		5,320,000.00		
Veterans Bonds, Ser 2016	150,750,000.00		15,445,000.00		
Veterans Bonds, Ser 2017	166,510,000.00		17,040,000.00		
Veterans Bonds, Ser 2018	197,475,000.00		19,185,000.00		
Veterans Bonds, Ser 2019	214,790,000.00		20,540,000.00		
Veterans Bonds, Ser 2020	228,210,000.00		20,455,000.00		
Veterans Bonds, Ser 2021	242,475,000.00		16,220,000.00		
Veterans Bonds, Ser 2022	250,000,000.00		1,910,000.00		
Veterans Bonds, Ser 2023		250,000,000.00			
Veterans Bonds, Tax Ser 2023A		250,000,000.00			
Total, Veterans' Housing Assistance Bonds	2,894,290,000.00	500,000,000.00	223,390,000.00	26,630,000.00	0.00
<i>Veterans' Land Bonds</i>					
Vet Land Bds Ser 2002	10,500,000.00		755,000.00		
Vet Land Tax Ref Bds Ser 2014B-3	8,980,000.00		1,690,000.00		
Vet Land Tax Ref Bds Ser 2014C-3	43,940,000.00		4,425,000.00		
Vet Land Tax Ref Bds Ser 2014C-4	35,735,000.00		9,205,000.00		
Total, Veterans' Land Bonds	99,155,000.00	0.00	16,075,000.00	0.00	0.00
Total, General Obligation Bonds - Self-Supporting	2,993,445,000.00	500,000,000.00	239,465,000.00	26,630,000.00	0.00

UNAUDITED

BONDS OUTSTANDING 08-31-2023	UNAMORTIZED PREMIUM	UNAMORTIZED DISCOUNT	OTHER ADJUSTMENTS	NET BONDS OUTSTANDING 08-31-2023	AMOUNTS DUE WITHIN ONE YEAR
\$	\$	\$	\$	\$	\$
15,225,000.00				15,225,000.00	2,190,000.00
21,245,000.00				21,245,000.00	785,000.00
24,995,000.00				24,995,000.00	2,025,000.00
13,480,000.00				13,480,000.00	1,435,000.00
14,460,000.00				14,460,000.00	1,505,000.00
14,285,000.00				14,285,000.00	1,455,000.00
16,495,000.00				16,495,000.00	1,590,000.00
16,270,000.00				16,270,000.00	1,540,000.00
16,120,000.00				16,120,000.00	1,500,000.00
19,525,000.00				19,525,000.00	1,470,000.00
20,325,000.00				20,325,000.00	1,555,000.00
21,085,000.00				21,085,000.00	1,470,000.00
21,440,000.00				21,440,000.00	1,635,000.00
22,320,000.00				22,320,000.00	1,495,000.00
23,405,000.00				23,405,000.00	1,500,000.00
40,970,000.00				40,970,000.00	2,640,000.00
40,345,000.00				40,345,000.00	2,660,000.00
41,200,000.00				41,200,000.00	2,685,000.00
41,965,000.00				41,965,000.00	2,725,000.00
41,280,000.00				41,280,000.00	2,810,000.00
53,390,000.00				53,390,000.00	3,790,000.00
60,005,000.00				60,005,000.00	3,510,000.00
89,655,000.00				89,655,000.00	5,855,000.00
158,110,000.00				158,110,000.00	22,270,000.00
93,260,000.00				93,260,000.00	5,955,000.00
8,770,000.00				8,770,000.00	4,765,000.00
55,000,000.00				55,000,000.00	0.00
71,100,000.00				71,100,000.00	12,935,000.00
63,285,000.00				63,285,000.00	4,080,000.00
80,525,000.00				80,525,000.00	5,010,000.00
85,320,000.00				85,320,000.00	5,160,000.00
135,305,000.00				135,305,000.00	14,085,000.00
149,470,000.00				149,470,000.00	15,525,000.00
178,290,000.00				178,290,000.00	17,550,000.00
194,250,000.00				194,250,000.00	18,885,000.00
207,755,000.00				207,755,000.00	20,605,000.00
226,255,000.00				226,255,000.00	21,110,000.00
248,090,000.00				248,090,000.00	12,650,000.00
250,000,000.00				250,000,000.00	2,425,000.00
250,000,000.00				250,000,000.00	1,780,000.00
3,144,270,000.00	0.00	0.00	0.00	3,144,270,000.00	234,615,000.00
9,745,000.00				9,745,000.00	790,000.00
7,290,000.00				7,290,000.00	1,850,000.00
39,515,000.00				39,515,000.00	4,725,000.00
26,530,000.00				26,530,000.00	8,485,000.00
83,080,000.00	0.00	0.00	0.00	83,080,000.00	15,850,000.00
3,227,350,000.00	0.00	0.00	0.00	3,227,350,000.00	250,465,000.00

UNAUDITED
Texas General Land Office and Veterans' Land Board

SCHEDULE 2-C

DEBT SERVICE REQUIREMENTS

August 31, 2023

BUSINESS-TYPE ACTIVITIES

DESCRIPTION OF ISSUE	2024	2025	2026	2027	2028
General Obligation Bonds - Self-Supporting	\$	\$	\$	\$	
<i>Veterans' Housing Assistance Bonds</i>					
Vet Hsg Fund II Bds Ser 2001A-2 - Principal	2,190,000.00	2,235,000.00	2,210,000.00	2,315,000.00	2,425,000.00
Vet Hsg Fund II Bds Ser 2001A-2 - Interest	625,114.73	531,416.73	436,653.98	341,465.33	241,698.25
Vet Hsg Fund II Bds Ser 2001C-2 - Principal	785,000.00	825,000.00	870,000.00	910,000.00	955,000.00
Vet Hsg Fund II Bds Ser 2001C-2 - Interest	918,832.50	884,239.88	847,683.00	809,271.00	769,003.88
Vet Hsg Fund II Bds Ser 2002A-2 - Principal	2,025,000.00	2,115,000.00	2,215,000.00	2,315,000.00	2,425,000.00
Vet Hsg Fund II Bds Ser 2002A-2 - Interest	957,075.69	873,004.75	786,407.94	699,663.94	608,950.63
Vet Hsg Fund II Bds Ser 2003A - Principal	1,435,000.00	1,385,000.00	1,340,000.00	1,300,000.00	1,260,000.00
Vet Hsg Fund II Bds Ser 2003A - Interest	433,402.20	386,485.40	341,055.40	297,112.20	254,490.60
Vet Hsg Fund II Bds Ser 2003B - Principal	1,505,000.00	1,470,000.00	1,440,000.00	1,405,000.00	1,375,000.00
Vet Hsg Fund II Bds Ser 2003B - Interest	479,227.48	428,267.55	378,498.68	329,835.78	282,278.85
Vet Hsg Fund II Bds Ser 2004A - Principal	1,455,000.00	1,415,000.00	1,380,000.00	1,365,000.00	1,345,000.00
Vet Hsg Fund II Bds Ser 2004A - Interest	499,728.00	447,832.50	397,323.25	347,960.75	299,136.75
Vet Hsg Fund II Bds Ser 2004B - Principal	1,590,000.00	1,555,000.00	1,525,000.00	1,495,000.00	1,465,000.00
Vet Hsg Fund II Bds Ser 2004B - Interest	592,296.00	534,152.00	477,204.00	421,360.00	366,620.00
Vet Hsg Fund II Bds Ser 2005A - Principal	1,540,000.00	1,510,000.00	1,470,000.00	1,440,000.00	1,400,000.00
Vet Hsg Fund II Bds Ser 2005A - Interest	520,787.18	470,536.50	421,351.50	373,396.13	326,506.43
Vet Hsg Fund II Bds Ser 2005B - Principal	1,500,000.00	1,460,000.00	1,420,000.00	1,380,000.00	1,360,000.00
Vet Hsg Fund II Bds Ser 2005B - Interest	565,155.75	511,664.75	459,609.75	408,990.75	359,718.00
Vet Hsg Fund II Bds Ser 2006A - Principal	1,470,000.00	1,460,000.00	1,455,000.00	1,455,000.00	1,465,000.00
Vet Hsg Fund II Bds Ser 2006A - Interest	673,769.28	622,157.30	570,897.03	519,724.68	468,464.40
Vet Hsg Fund II Bds Ser 2006D - Principal	1,555,000.00	1,535,000.00	1,515,000.00	1,500,000.00	1,485,000.00
Vet Hsg Fund II Bds Ser 2006D - Interest	735,402.15	678,222.65	621,780.95	565,984.83	510,834.28
Vet Hsg Fund II Bds Ser 2007A - Principal	1,470,000.00	1,455,000.00	1,450,000.00	1,450,000.00	1,455,000.00
Vet Hsg Fund II Bds Ser 2007A - Interest	755,152.88	701,753.63	648,718.88	595,866.38	543,013.88
Vet Hsg Fund II Bds Ser 2007B - Principal	1,635,000.00	1,605,000.00	1,570,000.00	1,545,000.00	1,510,000.00
Vet Hsg Fund II Bds Ser 2007B - Interest	780,633.60	720,220.80	660,921.60	602,921.60	545,849.60
Vet Hsg Fund II Bds Ser 2008A - Principal	1,495,000.00	1,480,000.00	1,460,000.00	1,450,000.00	1,450,000.00
Vet Hsg Fund II Bds Ser 2008A - Interest	699,826.05	652,309.95	605,272.20	558,792.53	512,552.03
Vet Hsg Fund II Bds Ser 2008B - Principal	1,500,000.00	1,480,000.00	1,465,000.00	1,455,000.00	1,455,000.00
Vet Hsg Fund II Bds Ser 2008B - Interest	742,636.88	694,423.13	646,854.38	599,688.75	552,765.00
Veterans Bonds, Series 2010C - Principal	2,640,000.00	2,595,000.00	2,550,000.00	2,515,000.00	2,465,000.00
Veterans Bonds, Series 2010C - Interest	930,901.71	870,219.60	810,519.03	751,857.73	694,062.49
Veterans Bonds, Series 2011A - Principal	2,660,000.00	2,600,000.00	2,545,000.00	2,490,000.00	2,440,000.00
Veterans Bonds, Series 2011A - Interest	1,061,306.25	990,552.50	921,403.75	853,659.38	787,453.13
Veterans Bonds, Series 2011B - Principal	2,685,000.00	2,620,000.00	2,555,000.00	2,495,000.00	2,430,000.00
Veterans Bonds, Series 2011B - Interest	959,167.58	896,027.85	834,426.68	774,304.88	715,603.28
Veterans Bonds, Series 2011C - Principal	2,725,000.00	2,655,000.00	2,590,000.00	2,520,000.00	2,455,000.00
Veterans Bonds, Series 2011C - Interest	791,337.60	739,386.90	688,826.03	639,511.20	591,538.28
Veterans Bonds, Series 2012A - Principal	2,810,000.00	2,730,000.00	2,650,000.00	2,570,000.00	2,490,000.00
Veterans Bonds, Series 2012A - Interest	686,486.70	639,279.90	593,426.70	548,927.10	505,781.10
Veterans Bonds, Series 2012B - Principal	3,790,000.00	3,635,000.00	3,490,000.00	3,370,000.00	3,250,000.00
Veterans Bonds, Series 2012B - Interest	758,698.28	704,435.78	652,379.95	602,313.75	553,983.95

UNAUDITED

						TOTAL
2029-2033	2034-2038	2039-2043	2044-2048	2049-2053	2054-2055	REQUIREMENTS
\$	\$	\$	\$	\$	\$	\$
3,850,000.00	0.00	0.00	0.00	0.00	0.00	15,225,000.00
165,142.73	0.00	0.00	0.00	0.00	0.00	2,341,491.73
15,100,000.00	1,800,000.00	0.00	0.00	0.00	0.00	21,245,000.00
2,361,028.50	39,285.00	0.00	0.00	0.00	0.00	6,629,343.75
13,900,000.00	0.00	0.00	0.00	0.00	0.00	24,995,000.00
1,532,251.44	0.00	0.00	0.00	0.00	0.00	5,457,354.38
5,700,000.00	1,060,000.00	0.00	0.00	0.00	0.00	13,480,000.00
680,458.80	26,266.80	0.00	0.00	0.00	0.00	2,419,271.40
6,450,000.00	815,000.00	0.00	0.00	0.00	0.00	14,460,000.00
732,836.05	17,355.30	0.00	0.00	0.00	0.00	2,648,299.68
6,150,000.00	1,175,000.00	0.00	0.00	0.00	0.00	14,285,000.00
800,659.75	32,130.50	0.00	0.00	0.00	0.00	2,824,791.50
6,915,000.00	1,950,000.00	0.00	0.00	0.00	0.00	16,495,000.00
1,048,524.00	71,576.00	0.00	0.00	0.00	0.00	3,511,732.00
6,550,000.00	2,360,000.00	0.00	0.00	0.00	0.00	16,270,000.00
967,305.00	94,681.13	0.00	0.00	0.00	0.00	3,174,563.85
6,355,000.00	2,645,000.00	0.00	0.00	0.00	0.00	16,120,000.00
1,087,231.50	135,163.50	0.00	0.00	0.00	0.00	3,527,534.00
7,560,000.00	4,660,000.00	0.00	0.00	0.00	0.00	19,525,000.00
1,556,448.35	284,877.00	0.00	0.00	0.00	0.00	4,696,338.03
7,360,000.00	5,375,000.00	0.00	0.00	0.00	0.00	20,325,000.00
1,735,674.50	404,222.18	0.00	0.00	0.00	0.00	5,252,121.53
7,515,000.00	6,290,000.00	0.00	0.00	0.00	0.00	21,085,000.00
1,906,426.13	514,674.00	0.00	0.00	0.00	0.00	5,665,605.75
7,165,000.00	6,410,000.00	0.00	0.00	0.00	0.00	21,440,000.00
1,910,937.60	630,668.80	0.00	0.00	0.00	0.00	5,852,153.60
7,310,000.00	7,585,000.00	90,000.00	0.00	0.00	0.00	22,320,000.00
1,868,514.83	681,250.13	1,435.05	0.00	0.00	0.00	5,579,952.75
7,400,000.00	7,875,000.00	775,000.00	0.00	0.00	0.00	23,405,000.00
2,056,179.38	832,695.00	12,496.88	0.00	0.00	0.00	6,137,739.38
11,835,000.00	11,110,000.00	5,260,000.00	0.00	0.00	0.00	40,970,000.00
2,634,157.96	1,306,195.46	180,776.11	0.00	0.00	0.00	8,178,690.09
11,460,000.00	10,405,000.00	5,745,000.00	0.00	0.00	0.00	40,345,000.00
2,990,516.25	1,523,412.50	264,490.63	0.00	0.00	0.00	9,392,794.38
11,325,000.00	10,080,000.00	7,010,000.00	0.00	0.00	0.00	41,200,000.00
2,746,666.80	1,474,581.83	349,310.03	0.00	0.00	0.00	8,750,088.90
11,390,000.00	10,050,000.00	7,580,000.00	0.00	0.00	0.00	41,965,000.00
2,278,929.60	1,246,577.18	334,660.28	0.00	0.00	0.00	7,310,767.05
11,360,000.00	9,755,000.00	6,915,000.00	0.00	0.00	0.00	41,280,000.00
1,926,595.80	1,028,736.00	264,713.40	0.00	0.00	0.00	6,193,946.70
14,580,000.00	12,265,000.00	9,010,000.00	0.00	0.00	0.00	53,390,000.00
2,103,359.20	1,128,840.88	313,709.60	0.00	0.00	0.00	6,817,721.38

UNAUDITED
Texas General Land Office and Veterans' Land Board

SCHEDULE 2-C (concluded)

August 31, 2023

BUSINESS-TYPE ACTIVITIES

DESCRIPTION OF ISSUE	2024	2025	2026	2027	2028
General Obligation Bonds - Self-Supporting (continued)	\$	\$	\$	\$	
<i>Veterans' Housing Assistance Bonds (concluded)</i>					
Veterans Bonds, Series 2013A - Principal	3,510,000.00	3,380,000.00	3,280,000.00	3,190,000.00	3,125,000.00
Veterans Bonds, Series 2013A - Interest	1,004,955.00	945,880.00	888,887.50	833,552.50	779,577.50
Veterans Bonds, Series 2013B - Principal	5,855,000.00	5,670,000.00	5,505,000.00	5,335,000.00	5,165,000.00
Veterans Bonds, Series 2013B - Interest	1,891,407.38	1,766,890.13	1,646,180.25	1,529,009.63	1,415,485.50
Veterans Bonds, Tax Ref Ser 2013C - Principal	22,270,000.00	27,370,000.00	28,390,000.00	26,800,000.00	25,335,000.00
Veterans Bonds, Tax Ref Ser 2013C - Interest	8,324,909.63	7,014,193.14	5,513,127.99	3,959,016.11	2,552,376.90
Veterans Bonds, Series 2014A - Principal	5,955,000.00	5,780,000.00	5,600,000.00	5,430,000.00	5,270,000.00
Veterans Bonds, Series 2014A - Interest	1,999,450.40	1,870,671.50	1,745,705.85	1,624,607.93	1,507,159.83
Veterans Bonds, Tax Ref Ser 2014B-1 - Principal	4,765,000.00	4,005,000.00	0.00	0.00	0.00
Veterans Bonds, Tax Ref Ser 2014B-1 - Interest	351,316.88	106,345.50	0.00	0.00	0.00
Veterans Bonds, Tax Ref Ser 2014C-1 - Principal	0.00	0.00	0.00	0.00	0.00
Veterans Bonds, Tax Ref Ser 2014C-1 - Interest	2,444,114.85	2,456,413.59	2,469,485.39	2,483,400.54	2,498,159.02
Veterans Bonds, Tax Ref Ser 2014C-2 - Principal	12,935,000.00	13,865,000.00	15,055,000.00	10,745,000.00	9,435,000.00
Veterans Bonds, Tax Ref Ser 2014C-2 - Interest	3,566,816.51	2,854,280.43	2,088,310.78	1,326,134.24	808,401.20
Veterans Bonds, Series 2014D - Principal	4,080,000.00	3,950,000.00	3,820,000.00	3,700,000.00	3,580,000.00
Veterans Bonds, Series 2014D - Interest	1,207,484.21	1,128,982.95	1,053,003.04	979,495.99	908,316.34
Veterans Bonds, Series 2015A - Principal	5,010,000.00	4,860,000.00	4,710,000.00	4,570,000.00	4,430,000.00
Veterans Bonds, Series 2015A - Interest	1,196,863.75	1,121,779.00	1,048,959.25	978,366.75	909,926.00
Veterans Bonds, Series 2015B - Principal	5,160,000.00	5,005,000.00	4,855,000.00	4,710,000.00	4,570,000.00
Veterans Bonds, Series 2015B - Interest	1,487,994.20	1,397,319.00	1,309,344.58	1,223,982.38	1,141,232.40
Veterans Bonds, Series 2016 - Principal	14,085,000.00	12,830,000.00	11,685,000.00	10,630,000.00	9,670,000.00
Veterans Bonds, Series 2016 - Interest	2,059,827.10	1,844,542.50	1,648,456.00	1,469,925.40	1,307,504.00
Veterans Bonds, Series 2017 - Principal	15,525,000.00	14,125,000.00	12,855,000.00	11,680,000.00	10,610,000.00
Veterans Bonds, Series 2017 - Interest	1,709,595.63	1,531,377.50	1,369,227.50	1,221,706.25	1,087,668.13
Veterans Bonds, Series 2018 - Principal	17,550,000.00	16,050,000.00	14,670,000.00	13,395,000.00	12,230,000.00
Veterans Bonds, Series 2018 - Interest	3,605,584.73	3,249,444.94	2,923,800.30	2,626,213.28	2,354,505.64
Veterans Bonds, Series 2019 - Principal	18,885,000.00	17,275,000.00	15,800,000.00	14,445,000.00	13,190,000.00
Veterans Bonds, Series 2019 - Interest	3,506,256.75	3,164,284.50	2,851,511.78	2,565,439.73	2,303,985.98
Veterans Bonds, Series 2020 - Principal	20,605,000.00	18,800,000.00	17,145,000.00	15,625,000.00	14,225,000.00
Veterans Bonds, Series 2020 - Interest	2,196,381.91	1,977,869.10	1,778,528.36	1,596,759.75	1,431,153.18
Veterans Bonds, Series 2021 - Principal	21,110,000.00	21,005,000.00	19,100,000.00	17,355,000.00	15,760,000.00
Veterans Bonds, Series 2021 - Interest	1,435,328.40	1,296,507.30	1,163,348.73	1,042,277.78	932,288.50
Veterans Bonds, Series 2022 - Principal	12,650,000.00	18,790,000.00	20,930,000.00	19,335,000.00	17,655,000.00
Veterans Bonds, Series 2022 - Interest	4,942,264.51	4,654,327.48	4,257,268.44	3,842,786.15	3,461,941.83
Veterans Bonds, Series 2023 - Principal	2,425,000.00	11,485,000.00	16,085,000.00	17,320,000.00	16,250,000.00
Veterans Bonds, Series 2023 - Interest	6,612,500.00	6,481,043.50	6,144,467.25	5,703,215.13	5,251,779.75
Veterans Bonds, Taxable Series 2023A - Principal	1,780,000.00	10,095,000.00	16,395,000.00	19,110,000.00	17,975,000.00
Veterans Bonds, Taxable Series 2023A - Interest	7,823,230.87	8,894,302.75	8,467,788.10	7,838,132.53	7,155,004.55
Total, Veterans' Housing Assistance Bonds	307,148,221.16	321,893,064.81	316,213,615.70	296,601,630.67	275,131,770.99
<i>Veterans' Land Bonds</i>					
Vet Land Bds Ser 2002 - Principal	790,000.00	825,000.00	865,000.00	905,000.00	945,000.00
Vet Land Bds Ser 2002 - Interest	387,090.00	353,659.50	318,676.50	282,037.50	243,742.50
Vet Land Tax Ref Ser 2014B-3 - Principal	1,850,000.00	5,440,000.00	0.00	0.00	0.00
Vet Land Tax Ref Ser 2014B-3 - Interest	445,599.89	177,262.40	0.00	0.00	0.00
Vet Land Tax Ref Ser 2014-C3 - Principal	4,725,000.00	5,035,000.00	5,360,000.00	5,720,000.00	4,695,000.00
Vet Land Tax Ref Ser 2014-C3 - Interest	2,190,352.97	1,901,129.02	1,592,967.98	1,264,364.93	913,966.36
Vet Land Tax Ref Ser 2014-C4 - Principal	8,485,000.00	6,325,000.00	5,340,000.00	4,560,000.00	1,820,000.00
Vet Land Tax Ref Ser 2014-C4 - Interest	1,399,446.90	954,112.68	625,936.15	313,575.35	59,268.30
Total, Veterans' Land Bonds	20,272,489.76	21,011,163.60	14,102,580.63	13,044,977.78	8,676,977.16
Total, General Obligation Bonds - Self-Supporting	327,420,710.91	342,904,228.42	330,316,196.34	309,646,608.45	283,808,748.15
Total, All Bonds	327,420,710.91	342,904,228.42	330,316,196.34	309,646,608.45	283,808,748.15

UNAUDITED

	2029-2033	2034-2038	2039-2043	2044-2048	2049-2053	2054-2055	TOTAL REQUIREMENTS
\$	\$	\$	\$	\$	\$	\$	\$
14,890,000.00	14,470,000.00	14,160,000.00	0.00	0.00	0.00	0.00	60,005,000.00
3,122,985.00	1,881,305.00	642,642.50	0.00	0.00	0.00	0.00	10,099,785.00
23,580,000.00	20,140,000.00	17,150,000.00	1,255,000.00	0.00	0.00	0.00	89,655,000.00
5,492,165.25	3,133,737.75	1,121,459.63	13,459.88	0.00	0.00	0.00	18,009,795.38
27,945,000.00	0.00	0.00	0.00	0.00	0.00	0.00	158,110,000.00
2,024,848.70	0.00	0.00	0.00	0.00	0.00	0.00	29,388,472.46
24,025,000.00	20,575,000.00	17,605,000.00	3,020,000.00	0.00	0.00	0.00	93,260,000.00
5,895,121.08	3,451,154.68	1,359,096.78	48,210.38	0.00	0.00	0.00	19,501,178.40
0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,770,000.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	457,662.38
0.00	55,000,000.00	0.00	0.00	0.00	0.00	0.00	55,000,000.00
13,110,643.78	1,397,269.57	0.00	0.00	0.00	0.00	0.00	26,859,486.74
9,065,000.00	0.00	0.00	0.00	0.00	0.00	0.00	71,100,000.00
348,694.81	0.00	0.00	0.00	0.00	0.00	0.00	10,992,637.96
16,175,000.00	13,605,000.00	11,365,000.00	3,010,000.00	0.00	0.00	0.00	63,285,000.00
3,553,891.31	2,100,478.50	881,551.24	58,863.83	0.00	0.00	0.00	11,872,067.40
20,210,000.00	17,315,000.00	14,810,000.00	4,610,000.00	0.00	0.00	0.00	80,525,000.00
3,593,120.50	2,168,284.50	948,582.00	79,463.75	0.00	0.00	0.00	12,045,345.50
20,885,000.00	17,940,000.00	15,420,000.00	6,775,000.00	0.00	0.00	0.00	85,320,000.00
4,548,105.10	2,819,210.63	1,333,872.93	177,277.10	0.00	0.00	0.00	15,438,338.30
36,465,000.00	22,045,000.00	12,875,000.00	5,020,000.00	0.00	0.00	0.00	135,305,000.00
4,576,733.20	2,273,821.40	899,964.70	137,241.00	0.00	0.00	0.00	16,218,015.30
39,915,000.00	24,020,000.00	13,980,000.00	6,760,000.00	0.00	0.00	0.00	149,470,000.00
3,823,861.25	1,934,079.38	810,779.38	172,284.38	0.00	0.00	0.00	13,660,579.38
46,725,000.00	28,995,000.00	17,520,000.00	10,190,000.00	965,000.00	0.00	0.00	178,290,000.00
8,461,366.88	4,507,629.19	2,078,752.73	631,892.70	13,224.94	0.00	0.00	30,452,415.30
50,500,000.00	31,475,000.00	19,145,000.00	11,240,000.00	2,295,000.00	0.00	0.00	194,250,000.00
8,330,240.40	4,511,025.83	2,152,481.63	737,114.48	43,174.58	0.00	0.00	30,165,515.63
53,965,000.00	33,065,000.00	19,725,000.00	11,340,000.00	3,260,000.00	0.00	0.00	207,755,000.00
5,149,206.49	2,774,011.78	1,333,231.89	485,810.01	47,482.74	0.00	0.00	18,770,435.21
59,270,000.00	35,690,000.00	20,880,000.00	11,680,000.00	4,405,000.00	0.00	0.00	226,255,000.00
3,337,239.13	1,786,940.38	863,754.10	332,336.68	50,346.18	0.00	0.00	12,240,367.15
67,620,000.00	42,205,000.00	25,730,000.00	15,170,000.00	8,005,000.00	0.00	0.00	248,090,000.00
12,662,683.34	7,094,692.06	3,650,777.77	1,577,409.53	379,383.99	0.00	0.00	46,523,535.10
66,725,000.00	47,330,000.00	33,170,000.00	22,825,000.00	15,280,000.00	1,105,000.00	0.00	250,000,000.00
20,438,906.88	12,835,523.75	7,467,033.38	3,731,301.50	1,187,605.00	17,853.75	0.00	75,871,229.88
70,795,000.00	46,910,000.00	30,975,000.00	20,410,000.00	13,505,000.00	2,050,000.00	0.00	250,000,000.00
27,170,030.98	16,465,163.60	9,383,051.33	4,711,352.00	1,630,095.28	60,969.38	0.00	99,599,121.35
1,006,714,688.20	667,052,517.13	363,543,623.91	146,199,017.19	51,066,312.69	3,233,823.13	0.00	3,754,798,285.58
5,415,000.00	0.00	0.00	0.00	0.00	0.00	0.00	9,745,000.00
580,117.50	0.00	0.00	0.00	0.00	0.00	0.00	2,165,323.50
0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,290,000.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	622,862.29
13,980,000.00	0.00	0.00	0.00	0.00	0.00	0.00	39,515,000.00
1,342,922.72	0.00	0.00	0.00	0.00	0.00	0.00	9,205,703.99
0.00	0.00	0.00	0.00	0.00	0.00	0.00	26,530,000.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,352,339.38
21,318,040.22	0.00	0.00	0.00	0.00	0.00	0.00	98,426,229.15
1,028,032,728.42	667,052,517.13	363,543,623.91	146,199,017.19	51,066,312.69	3,233,823.13	0.00	3,853,224,514.73
1,028,032,728.42	667,052,517.13	363,543,623.91	146,199,017.19	51,066,312.69	3,233,823.13	0.00	3,853,224,514.73

SCHEDULE 2-D

ANALYSIS OF FUNDS AVAILABLE FOR DEBT SERVICE

For the Year Ended August 31, 2023

BUSINESS-TYPE ACTIVITIES

General Obligation Bonds - Self Supporting

	APPLICATION OF FUNDS	
DESCRIPTION OF ISSUE	PRINCIPAL	INTEREST
	\$	\$
Veterans' Housing Assistance Bonds	223,390,000.00	98,200,467.55
Veterans' Land Bonds	16,075,000.00	5,744,541.67
TOTAL	239,465,000.00	103,945,009.22

SCHEDULE 2-E

DEFEASED BONDS OUTSTANDING

August 31, 2023

Not Applicable

UNAUDITED
Texas General Land Office and Veterans' Land Board

SCHEDULE 2-F

EARLY EXTINGUISHMENT AND REFUNDING

For the Year Ended August 31, 2023

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>					
Veterans Bonds, Tax Ref Ser 2014C-2	Extinguishment	26,630,000.00			
<i>Total, Veterans' Housing Bonds</i>		<u>26,630,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total, General Obligation Bonds - Self-Supporting		<u>26,630,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total, Business-Type Activities		<u><u>26,630,000.00</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, 2023

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 08-31-2023
				\$	\$	\$	\$
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 I 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	4,775,000.00		15,225,000.00
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	3,755,000.00		21,245,000.00
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	13,305,000.00		24,995,000.00
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	36,520,000.00		13,480,000.00
Vet Hsg Fund II Bds Ser 2003B	10-22-03	06-01-34	3.40300	50,000,000.00	35,540,000.00		14,460,000.00
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	35,715,000.00		14,285,000.00
Vet Hsg Fund II Bds Ser 2004B	09-15-04	12-01-34	3.68000	50,000,000.00	33,505,000.00		16,495,000.00
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	33,730,000.00		16,270,000.00
Vet Hsg Fund II Bds Ser 2005B	08-09-05	06-01-36	3.08700	50,000,000.00	33,880,000.00		16,120,000.00
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	30,475,000.00		19,525,000.00
Vet Hsg Fund II Bds Ser 2006D	09-20-06	12-01-36	3.68900	50,000,000.00	29,675,000.00		20,325,000.00

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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, 2023

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 08-31-2023
				\$	\$	\$	\$
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	28,915,000.00		21,085,000.00
Vet Hsg Fund II Bds Ser 2007B	06-26-07	06-01-38	3.71200	50,000,000.00	28,560,000.00		21,440,000.00
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	27,680,000.00		22,320,000.00
Vet Hsg Fund II Bds Ser 2008B	09-11-08	12-01-38	3.22500	50,000,000.00	26,595,000.00		23,405,000.00
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	34,025,000.00		40,970,000.00
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	34,650,000.00		40,345,000.00
Veterans Bonds, Series 2011B	08-25-11	12-01-41	2.36700	74,995,000.00	33,795,000.00		41,200,000.00
Veterans Bonds, Series 2011C	12-15-11	06-01-42	1.91700	74,995,000.00	33,030,000.00		41,965,000.00
Veterans Bonds, Series 2012A	05-23-12	12-01-42	1.69200	74,995,000.00	33,715,000.00		41,280,000.00
Veterans Bonds, Series 2012B	11-01-12	12-01-42	1.44700	100,000,000.00	46,610,000.00		53,390,000.00
Veterans Bonds, Series 2013A	03-20-13	06-01-43	1.70000	99,995,000.00	39,990,000.00		60,005,000.00
Veterans Bonds, Series 2013B	08-22-13	12-01-43	2.14500	149,995,000.00	60,340,000.00		89,655,000.00
Veterans Bonds, Tax Ref Ser 2013C	10-24-13	06-01-31	Floating	297,600,000.00	139,490,000.00		158,110,000.00
Veterans Bonds, Ser 2014A	02-26-14	06-01-44	2.17900	150,000,000.00	56,740,000.00		93,260,000.00
Veterans Bonds, Tax Ref Ser 2014B-1	04-01-14	12-01-24	Floating	90,700,000.00	81,930,000.00		8,770,000.00
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	17,695,000.00		55,000,000.00
Veterans Bonds, Tax Ref Ser 2014C-2	07-01-14	06-01-32	Floating	194,935,000.00	97,205,000.00	26,630,000.00	71,100,000.00
Veterans Bonds, Ser 2014D	09-10-14	06-01-45	1.93950	100,000,000.00	36,715,000.00		63,285,000.00
Veterans Bonds, Ser 2015A	02-11-15	06-01-45	1.51000	125,000,000.00	44,475,000.00		80,525,000.00
Veterans Bonds, Ser 2015B	07-22-15	06-01-46	1.77100	125,000,000.00	39,680,000.00		85,320,000.00
Veterans Bonds, Ser 2016	01-21-16	12-01-46	1.56400	250,000,000.00	114,695,000.00		135,305,000.00
Veterans Bonds, Ser 2017	01-19-17	12-01-47	1.17500	250,000,000.00	100,530,000.00		149,470,000.00
Veterans Bonds, Ser 2018	06-28-18	12-01-49	2.07450	250,000,000.00	71,710,000.00		178,290,000.00
Veterans Bonds, Ser 2019	04-11-19	06-01-50	1.85100	250,000,000.00	55,750,000.00		194,250,000.00
Veterans Bonds, Ser 2020	01-09-20	12-01-50	1.08470	250,000,000.00	42,245,000.00		207,755,000.00
Veterans Bonds, Ser 2021	01-13-21	12-01-51	0.64900	250,000,000.00	23,745,000.00		226,255,000.00
Veterans Bonds, Ser 2022	06-29-22	06-01-53	2.01425	250,000,000.00	1,910,000.00		248,090,000.00
Veterans Bonds, Series 2023	04-20-23	06-01-54	2.64500	250,000,000.00	0.00		250,000,000.00
Veterans Bonds, Taxable Series 2023A	07-20-23	12-01-54	3.61300	250,000,000.00	0.00		250,000,000.00
Total, Veterans' Housing Assistance Bonds				7,984,050,000.00	2,501,595,000.00	2,338,185,000.00	3,144,270,000.00

Veterans' Land Bonds

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UNAUDITED

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 08-31-2023
General Obligation Bonds - Self-Supporting (concluded)				\$	\$	\$	\$
<i>Veterans' Land Bonds (concluded)</i>							
Vet Land Bds Ser 2002	02-21-02	12-01-32	4.14000	20,000,000.00	10,255,000.00		9,745,000.00
Vet Land Tax Ref Ser 2014B-3	04-01-14	12-01-24	Floating	49,100,000.00	41,810,000.00		7,290,000.00
Vet Land Tax Ref Ser 2014C-3	07-01-14	12-01-33	Floating	70,965,000.00	31,450,000.00		39,515,000.00
Vet Land Tax Ref Ser 2014C-4	07-01-14	12-01-33	Floating	113,910,000.00	87,380,000.00		26,530,000.00
Total, Veterans' Land Bonds				3,152,538,000.00	1,275,115,000.00	1,794,343,000.00	83,080,000.00
Total, General Obligation Bonds - Self-Supporting				11,136,588,000.00	3,776,710,000.00	4,132,528,000.00	3,227,350,000.00
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				44,280,000.00	22,485,000.00	21,795,000.00	0.00
<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				260,092,515.00	170,850,000.00	89,242,515.00	0.00
Total, Revenue Bonds - Self-Supporting				304,372,515.00	193,335,000.00	111,037,515.00	0.00
Total, All Bonds				11,440,960,515.00	3,970,045,000.00	4,243,565,515.00	3,227,350,000.00

⁽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, 2023

BUSINESS-TYPE ACTIVITIES

		\$
Note:	Veterans' Housing Assistance Bonds maturing within one year	234,615,000.00
	Veterans' Housing Assistance Accretion Bonds maturing within one year	0.00
	Veterans' Land Bonds maturing within one year	15,850,000.00
	Veterans' Land Accretion Bonds maturing within one year	0.00
	Subtotal	250,465,000.00
	Veterans' Housing Assistance Bonds maturing subsequent to one year	2,909,655,000.00
	Veterans' Housing Assistance Bonds Accretion maturing subsequent to one year	0.00
	Veterans' Land Bonds maturing subsequent to one year	67,230,000.00
	Veterans' Land Bonds Accretion maturing subsequent to one year	0.00
	Subtotal	2,976,885,000.00
	Total (Exh. III)	3,227,350,000.00

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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, 2023
(With comparative memorandum totals for the year ended August 31, 2022)

	TOTALS	
	2023	2022
GENERAL REVENUE FUND (FUND 0001/AGENCY 644)	\$	\$
Receipts from Mineral Sources:		
Oil Royalty	32,506.41	25,269.89
Gas Royalty	4,787.13	7,520.42
TOTAL AGENCY 644	37,293.54	32,790.31
GENERAL REVENUE FUND (FUND 0001/AGENCY 696)		
Receipts from Mineral Sources:		
Oil Royalty	1,627,980.12	1,617,310.36
Gas Royalty	763,339.53	857,060.55
TOTAL AGENCY 696	2,391,319.65	2,474,370.91
GENERAL REVENUE FUND (FUND 0001/AGENCY 808)		
Receipts from Mineral Sources:		
Oil Royalty	94,646.92	122,965.94
Gas Royalty	24,574.88	43,920.39
TOTAL AGENCY 808	119,221.80	166,886.33
GENERAL REVENUE FUND (FUND 0001/AGENCY 902)		
Receipts from Mineral Sources:		
Oil Royalty	0.00	(773.85)
Outer Continental Shelf Judgment	505,108.42	382,793.15
Receipts from Misc. Interest and Other Collections:		
Miscellaneous	2,400.00	0.00
State of Texas Sales Tax	113.18	202.32
TOTAL AGENCY 902	507,621.60	382,221.62
TOTAL GENERAL REVENUE FUND	3,055,456.59	3,056,269.17
SPECIALTY LICENSE PLATES FUND (FUND 0802/AGENCY 305/608)		
Receipts from Specialty License Plates:		
Specialty License Plates	29,742.92	26,753.44
Receipts from Misc. Interest and Other Collections:		
Interest	1,917.35	230.61
TOTAL SPECIALTY LICENSE PLATES FUND	31,660.27	26,984.05
STATE HIGHWAY FUND (FUND 0006/AGENCY 601)		
Receipts from Mineral Sources:		
Oil Royalty	16,211,492.14	16,920,341.04
Gas Royalty	7,247,049.02	7,699,917.26
Mineral Lease Bonus	1,098,728.48	1,082,795.20
Mineral Lease Rental	0.00	14,460.00
Hard Mineral Royalty	0.00	51,593.08
Receipts from Surface Rentals, Easements, and Damages:		
Rental of Land	64,661.00	70,959.00
Receipts from Misc. Interest and Other Collections:		
Interest	9,739.24	1,218.61
TOTAL STATE HIGHWAY FUND	24,631,669.88	25,841,284.19

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SCHEDULE 4 (continued)

	TOTALS	
	2023	2022
PERMANENT SCHOOL FUND (FUND 0044/AGENCY 305)		
Receipts from Mineral Sources:		
Oil Royalty	1,035,882,575.96	1,124,838,593.05
Gas Royalty	668,747,542.64	793,061,373.33
Oil & Gas Lease Bonus	65,032,314.36	62,630,576.04
Oil & Gas Lease Rental	1,181,379.70	388,869.66
Mining Lease Royalty	338,862.25	760,794.29
Mining Lease Rental and Bonus	209,882.39	471,663.78
Shut-In Mineral Royalty	700,760.93	4,655,584.14
Water Royalties	708,288.59	141,474.36
Coal and Lignite Royalty	0.00	16,726.20
Prospect Permits	13,760.00	9,293.75
Outer Continental Shelf Judgment	956,710.70	765,586.26
Miscellaneous Rentals, Royalty, and Easements	363,225.28	422,816.27
Receipts from Real Asset Investments:		
Internal Investment Receipts - Return of Capital	14,684,514.62	3,311,427.13
Internal Investment Receipts - Capital Gains	4,373,933.82	1,887,771.51
Internal Investment Receipts - Note Principal	11,008.52	7,555.57
Internal Investment Receipts - Note Interest	2,113.19	1,817.08
Internal Investment Receipts - Misc.	31,360,985.98	18,687,903.17
External Investment Receipts - Return of Capital	134,636,109.88	705,320,451.47
External Investment Receipts - Capital Gains	144,506,259.39	555,873,127.04
External Investment Receipts - Misc.	150,942,342.16	246,513,679.15
Receipts from State Energy Marketing Program:		
SEMP Receipts for Third Party Purchases	60,643,217.42	77,817,625.60
State Power Program	2,366,094.57	599,575.42
Receipts from Surface Rentals, Easements, and Damages:		
Surface Damage Fees	4,634,372.73	5,516,269.12
Surface Lease Rental	8,885,946.63	7,203,453.79
Coastal Private S-T Lease Rental	399,201.78	377,841.23
Coastal Public S-T Lease Rental	1,264.65	1,244.65
Coastal Commercial	2,122,501.65	1,520,775.14
Coastal Miscellaneous Easements	2,965,469.53	538,242.47
Land Easement Rental, Riverbeds	389,531.25	47,586.70
Wind Lease Royalties	0.00	35,000.00
Receipts from Surface Rentals, Easements, and Damages (continued):		
Uplands Commercial	1,406,498.13	1,491,713.43
Uplands Miscellaneous Easements	1,727,412.20	3,676,047.81
Receipts from Misc. Interest and Other Collections:		
Interest	40,148,559.36	17,501,783.29
Miscellaneous	(1,897,179.16)	55,658,344.25
Land Office Administrative Fees	260,966.11	370,588.41
TOTAL AGENCY 305	2,378,706,427.21	3,692,123,174.56
STATE PARKS FUND (FUND 0064/AGENCY 802)		
Receipts from Mineral Sources:		
Oil Royalty	272,558.96	273,556.00
Gas Royalty	975,300.03	1,231,394.42
TOTAL STATE PARKS FUND	1,247,858.99	1,504,950.42

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SCHEDULE 4 (continued)

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(With comparative memorandum totals for the year ended August 31, 2022)

	TOTALS	
	2023	2022
MIDWESTERN UNIVERSITY MINERAL FUND (FUND 0412/AGENCY 735)		
Receipts from Mineral Sources:		
Oil Royalty	8,163.58	10,886.94
TOTAL MIDWESTERN UNIVERSITY MINERAL FUND	8,163.58	10,886.94
CAPITAL TRUST FUND (FUND 0543/AGENCY 537)		
Receipts from Surface Rentals, Easements, and Damages:		
Rental of Land	487,350.00	125,331.42
TOTAL AGENCY 537	487,350.00	125,331.42
CAPITAL TRUST FUND (FUND 0543/AGENCY 529)		
Receipts from Mineral Sources:		
Oil Royalty	3,771,320.52	6,178,541.76
Gas Royalty	1,261,165.48	1,590,058.56
Receipts from Surface Rentals, Easements, and Damages:		
Rental of Land	109,700.00	97,271.00
Receipts from Real Asset Investments:		
Land Sales	495,224.99	0.00
Receipts from Misc. Interest and Other Collections:		
Interest	27,366.62	0.00
TOTAL AGENCY 529	5,664,777.61	7,865,871.32
TOTAL CAPITAL TRUST FUND	6,152,127.61	7,991,202.74
OTHER AGENCY LOCAL FUND ROYALTIES FUND (FUND 0903/AGENCY 710)		
Receipts from Mineral Sources:		
Oil Royalty	0.00	2,705,888.12
Gas Royalty	0.00	1,203,524.48
TOTAL AGENCY 710	0.00	3,909,412.60
OTHER AGENCY LOCAL FUND ROYALTIES FUND (FUND 0903/AGENCY 733)		
Receipts from Mineral Sources:		
Oil Royalty	0.00	45,604.95
TOTAL AGENCY 733	0.00	45,604.95
TOTAL OTHER AGENCY LOCAL FUND ROYALTIES FUND	0.00	3,955,017.55
GAME, FISH, AND WATER SAFETY FUND (FUND 0930/AGENCY 802)		
Receipts from Mineral Sources:		
Oil Royalty	120,315.74	145,392.53
Gas Royalty	249,086.30	311,576.64
TOTAL GAME, FISH, AND WATER SAFETY FUND	369,402.04	456,969.17
WORKFORCE COMMISSION FEDERAL FUND (FUND 5026/AGENCY 320)		
Receipts from Mineral Sources:		
Oil Royalty	42,496.36	1,272.31
Gas Royalty	2,361.24	177.72
Receipts from Sales of Real Property:		
Other Sale of Real Property	3,024,351.20	0.00
TOTAL WORKFORCE COMMISSION FEDERAL FUND	3,069,208.80	1,450.03

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SCHEDULE 4 (continued)

	TOTALS	
	2023	2022
	\$	\$
COUNTY RIGHT-OF-WAY DEFAULT FUND (FUND 7000)		
Receipts from Mineral Sources:		
Gas Royalty	(56.64)	56.64
Receipts from Misc. Interest and Other Collections:		
Interest	1.87	0.00
TOTAL CROW DEFAULT	<u>(54.77)</u>	<u>56.64</u>
ATASCOSA COUNTY RIGHT-OF-WAY FUND (FUND 7002)		
Receipts from Mineral Sources:		
Oil Royalty	3,340.74	1,256.10
Gas Royalty	864.41	162.11
Receipts from Misc. Interest and Other Collections:		
Interest	52.06	3.11
TOTAL ATASCOSA COUNTY	<u>4,257.21</u>	<u>1,421.32</u>
AUSTIN COUNTY RIGHT-OF-WAY FUND (FUND 7003)		
Receipts from Mineral Sources:		
Gas Royalty	17.24	10.02
Receipts from Misc. Interest and Other Collections:		
Interest	0.01	0.00
TOTAL AUSTIN COUNTY	<u>17.25</u>	<u>10.02</u>
BRAZOS COUNTY RIGHT-OF-WAY FUND (FUND 7005)		
Receipts from Mineral Sources:		
Oil Royalty	31,837.04	38,445.74
Gas Royalty	1,914.17	2,804.10
Receipts from Misc. Interest and Other Collections:		
Interest	514.84	71.98
TOTAL BRAZOS COUNTY	<u>34,266.05</u>	<u>41,321.82</u>
BURLESON COUNTY RIGHT-OF-WAY FUND (FUND 7007)		
Receipts from Mineral Sources:		
Oil Royalty	11,042.52	13,313.31
Gas Royalty	306.31	435.16
Receipts from Misc. Interest and Other Collections:		
Interest	170.82	22.84
TOTAL BURLESON COUNTY	<u>11,519.65</u>	<u>13,771.31</u>
COLORADO COUNTY RIGHT-OF-WAY FUND (FUND 7009)		
Receipts from Mineral Sources:		
Oil Royalty	29.30	0.00
TOTAL COLORADO COUNTY	<u>29.30</u>	<u>0.00</u>
DALLAS COUNTY RIGHT-OF-WAY FUND (FUND 7012)		
Receipts from Mineral Sources:		
Gas Royalty	6,638.56	6,255.04
Receipts from Misc. Interest and Other Collections:		
Interest	94.53	10.68
TOTAL DALLAS COUNTY	<u>6,733.09</u>	<u>6,265.72</u>
DENTON COUNTY RIGHT-OF-WAY FUND (FUND 7013)		
Receipts from Mineral Sources:		
Oil Royalty	25.00	25.00
Gas Royalty	13,576.24	28,038.86
Receipts from Misc. Interest and Other Collections:		
Interest	246.99	36.61
TOTAL DENTON COUNTY	<u>13,848.23</u>	<u>28,100.47</u>

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SCHEDULE 4 (continued)

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(With comparative memorandum totals for the year ended August 31, 2022)

	TOTALS	
	2023	2022
DEWITT COUNTY RIGHT-OF-WAY FUND (FUND 7014)		
Receipts from Mineral Sources:		
Oil Royalty	1,524,400.31	1,973,358.53
Gas Royalty	753,058.78	1,051,535.95
Mineral Lease Bonus	56.54	0.00
Receipts from Misc. Interest and Other Collections:		
Interest	36,873.67	5,061.27
TOTAL DEWITT COUNTY	2,314,389.30	3,029,955.75
DIMITT COUNTY RIGHT-OF-WAY FUND (FUND 7015)		
Receipts from Mineral Sources:		
Oil Royalty	36,294.49	44,314.38
Gas Royalty	6,752.39	11,517.25
Receipts from Misc. Interest and Other Collections:		
Interest	722.23	88.44
TOTAL DIMITT COUNTY	43,769.11	55,920.07
FAYETTE COUNTY RIGHT-OF-WAY FUND (FUND 7016)		
Receipts from Mineral Sources:		
Oil Royalty	9,812.92	5,590.39
Gas Royalty	4,266.44	3,475.12
Receipts from Misc. Interest and Other Collections:		
Interest	217.99	21.58
TOTAL FAYETTE COUNTY	14,297.35	9,087.09
FREESTONE COUNTY RIGHT-OF-WAY FUND (FUND 7018)		
Receipts from Mineral Sources:		
Gas Royalty	1,072.87	1,150.44
Receipts from Misc. Interest and Other Collections:		
Interest	13.95	1.33
TOTAL FREESTONE COUNTY	1,086.82	1,151.77
FRIO COUNTY RIGHT-OF-WAY FUND (FUND 7019)		
Receipts from Mineral Sources:		
Oil Royalty	22,817.96	14,763.56
Gas Royalty	6,086.03	3,040.23
Receipts from Misc. Interest and Other Collections:		
Interest	402.78	37.19
TOTAL FRIO COUNTY	29,306.77	17,840.98
GONZALES COUNTY RIGHT-OF-WAY FUND (FUND 7021)		
Receipts from Mineral Sources:		
Oil Royalty	89,478.16	63,695.85
Gas Royalty	12,372.96	15,033.12
Receipts from Misc. Interest and Other Collections:		
Interest	1,257.52	125.59
TOTAL GONZALES COUNTY	103,108.64	78,854.56
GRIMES COUNTY RIGHT-OF-WAY FUND (FUND 7023)		
Receipts from Mineral Sources:		
Oil Royalty	0.07	0.05
Gas Royalty	449.40	151.68
Receipts from Misc. Interest and Other Collections:		
Interest	7.10	0.00
TOTAL GRIMES COUNTY	456.57	151.73
HARRIS COUNTY RIGHT-OF-WAY FUND (FUND 7024)		
Receipts from Mineral Sources:		
Oil Royalty	1,233.17	1,524.47
Gas Royalty	5,457.63	7,621.94
Receipts from Misc. Interest and Other Collections:		
Interest	110.50	15.18
TOTAL HARRIS COUNTY	6,801.30	9,161.59

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SCHEDULE 4 (continued)

	TOTALS	
	2023	2022
	\$	\$
HARRISON COUNTY RIGHT-OF-WAY FUND (FUND 7025)		
Receipts from Mineral Sources:		
Gas Royalty	3,842.91	97.22
Receipts from Misc. Interest and Other Collections:		
Interest	6.91	0.00
TOTAL HARRISON COUNTY	3,849.82	97.22
HOOD COUNTY RIGHT-OF-WAY FUND (FUND 7030)		
Receipts from Mineral Sources:		
Oil Royalty	115.50	168.66
Gas Royalty	1,140.84	1,826.62
Receipts from Misc. Interest and Other Collections:		
Interest	21.29	2.32
TOTAL HOOD COUNTY	1,277.63	1,997.60
JACKSON COUNTY RIGHT-OF-WAY FUND (FUND 7031)		
Receipts from Mineral Sources:		
Oil Royalty	2,671.15	3,711.02
Receipts from Misc. Interest and Other Collections:		
Interest	40.12	4.63
TOTAL JACKSON COUNTY	2,711.27	3,715.65
JEFFERSON COUNTY RIGHT-OF-WAY FUND (FUND 7032)		
Receipts from Mineral Sources:		
Oil Royalty	3.89	4.21
Gas Royalty	2.20	3.88
TOTAL JEFFERSON COUNTY	6.09	8.09
JOHNSON COUNTY RIGHT-OF-WAY FUND (FUND 7033)		
Receipts from Mineral Sources:		
Oil Royalty	2.69	50.00
Gas Royalty	38,168.50	48,171.42
Receipts from Misc. Interest and Other Collections:		
Interest	625.20	69.87
TOTAL JOHNSON COUNTY	38,796.39	48,291.29
KARNES COUNTY RIGHT-OF-WAY FUND (FUND 7034)		
Receipts from Mineral Sources:		
Oil Royalty	1,940,333.47	2,009,423.78
Gas Royalty	455,763.87	463,909.15
Receipts from Misc. Interest and Other Collections:		
Interest	37,739.18	4,138.00
TOTAL KARNES COUNTY	2,433,836.52	2,477,470.93
LA SALLE COUNTY RIGHT-OF-WAY FUND (FUND 7035)		
Receipts from Mineral Sources:		
Oil Royalty	21,211.78	45,857.94
Gas Royalty	5,694.03	9,109.10
Receipts from Misc. Interest and Other Collections:		
Interest	482.21	89.99
TOTAL LA SALLE COUNTY	27,388.02	55,057.03
LAVACA COUNTY RIGHT-OF-WAY FUND (FUND 7036)		
Receipts from Mineral Sources:		
Oil Royalty	13,266.29	20,142.71
Gas Royalty	2,187.27	2,653.14
Receipts from Misc. Interest and Other Collections:		
Interest	266.18	41.40
TOTAL LAVACA COUNTY	15,719.74	22,837.25

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SCHEDULE 4 (continued)

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(With comparative memorandum totals for the year ended August 31, 2022)

	TOTALS	
	2023	2022
LEE COUNTY RIGHT-OF-WAY FUND (FUND 7037)	\$	\$
Receipts from Mineral Sources:		
Oil Royalty	11,723.51	4,874.88
Gas Royalty	1,350.94	599.37
Receipts from Misc. Interest and Other Collections:		
Interest	170.46	12.02
TOTAL LEE COUNTY	13,244.91	5,486.27
LIBERTY COUNTY RIGHT-OF-WAY FUND (FUND 7039)		
Receipts from Mineral Sources:		
Oil Royalty	622.68	2,482.56
Gas Royalty	2,054.86	3,758.38
Receipts from Misc. Interest and Other Collections:		
Interest	53.33	8.68
TOTAL LIBERTY COUNTY	2,730.87	6,249.62
LIVE OAK COUNTY RIGHT-OF-WAY FUND (FUND 7041)		
Receipts from Mineral Sources:		
Oil Royalty	114,912.47	12,769.77
Gas Royalty	32,919.92	8,441.16
Receipts from Misc. Interest and Other Collections:		
Interest	1,629.06	33.20
TOTAL LIVE OAK COUNTY	149,461.45	21,244.13
MARTIN COUNTY RIGHT-OF-WAY FUND (FUND 7043)		
Receipts from Mineral Sources:		
Oil Royalty	14,515.21	33,846.87
Gas Royalty	3,039.55	6,268.85
Receipts from Misc. Interest and Other Collections:		
Interest	301.23	58.60
TOTAL MARTIN COUNTY	17,855.99	40,174.32
MATAGORDA COUNTY RIGHT-OF-WAY FUND (FUND 7044)		
Receipts from Mineral Sources:		
Oil Royalty	165.94	2,069.67
Gas Royalty	157.13	139.93
Receipts from Misc. Interest and Other Collections:		
Interest	13.28	5.46
TOTAL MATAGORDA COUNTY	336.35	2,215.06
MCMULLEN COUNTY RIGHT-OF-WAY FUND (FUND 7045)		
Receipts from Mineral Sources:		
Oil Royalty	989.36	5,347.53
Gas Royalty	1,517.58	2,707.26
Receipts from Misc. Interest and Other Collections:		
Interest	39.82	11.95
TOTAL MCMULLEN COUNTY	2,546.76	8,066.74
MIDLAND COUNTY RIGHT-OF-WAY FUND (FUND 7046)		
Receipts from Mineral Sources:		
Oil Royalty	91,339.66	144,335.90
Gas Royalty	34,166.69	57,242.10
Receipts from Misc. Interest and Other Collections:		
Interest	2,022.98	387.46
TOTAL MIDLAND COUNTY	127,529.33	201,965.46
MILAM COUNTY RIGHT-OF-WAY FUND (FUND 7047)		
Receipts from Mineral Sources:		
Oil Royalty	7,492.21	10,235.13
Gas Royalty	437.85	381.68
Receipts from Misc. Interest and Other Collections:		
Interest	157.47	23.23
TOTAL MILAM COUNTY	8,087.53	10,640.04

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SCHEDULE 4 (continued)

	TOTALS	
	2023	2022
	\$	\$
MONTAGUE COUNTY RIGHT-OF-WAY FUND (FUND 7048)		
Receipts from Mineral Sources:		
Oil Royalty	1,110.16	991.06
Gas Royalty	5,312.75	8,413.40
Receipts from Misc. Interest and Other Collections:		
Interest	99.51	14.42
TOTAL MONTAGUE COUNTY	6,522.42	9,418.88
ORANGE COUNTY RIGHT-OF-WAY FUND (FUND 7050)		
Receipts from Mineral Sources:		
Oil Royalty	882.55	151.29
Gas Royalty	3,768.65	1,672.93
Receipts from Misc. Interest and Other Collections:		
Interest	57.79	3.04
TOTAL ORANGE COUNTY	4,708.99	1,827.26
PARKER COUNTY RIGHT-OF-WAY FUND (FUND 7051)		
Receipts from Mineral Sources:		
Oil Royalty	31.38	63.81
Gas Royalty	2,299.36	3,231.30
Receipts from Misc. Interest and Other Collections:		
Interest	40.40	4.10
TOTAL PARKER COUNTY	2,371.14	3,299.21
REAGAN COUNTY RIGHT-OF-WAY FUND (FUND 7052)		
Receipts from Mineral Sources:		
Oil Royalty	8,594.06	100.50
Gas Royalty	1,345.68	16.07
Receipts from Misc. Interest and Other Collections:		
Interest	64.25	0.00
TOTAL REAGAN COUNTY	10,003.99	116.57
ROBERTSON COUNTY RIGHT-OF-WAY FUND (FUND 7053)		
Receipts from Mineral Sources:		
Oil Royalty	2,003.44	3,149.62
Gas Royalty	797.72	1,212.89
Receipts from Misc. Interest and Other Collections:		
Interest	45.39	6.68
TOTAL ROBERTSON COUNTY	2,846.55	4,369.19
RUSK COUNTY RIGHT-OF-WAY FUND (FUND 7054)		
Receipts from Mineral Sources:		
Oil Royalty	391.40	648.53
Gas Royalty	728.56	1,330.05
Receipts from Misc. Interest and Other Collections:		
Interest	23.22	2.85
TOTAL RUSK COUNTY	1,143.18	1,981.43
SOMERVELL COUNTY RIGHT-OF-WAY FUND (FUND 7058)		
Receipts from Mineral Sources:		
Oil Royalty	2.92	0.00
Gas Royalty	978.19	1,159.09
Receipts from Misc. Interest and Other Collections:		
Interest	14.79	1.28
TOTAL SOMERVELL COUNTY	995.90	1,160.37
TARRANT COUNTY RIGHT-OF-WAY FUND (FUND 7059)		
Receipts from Mineral Sources:		
Oil Royalty	3,709.10	0.00
Gas Royalty	453,024.35	542,954.02
Receipts from Misc. Interest and Other Collections:		
Interest	7,498.51	889.22
TOTAL TARRANT COUNTY	464,231.96	543,843.24

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SCHEDULE 4 (continued)

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	TOTALS	
	2023	2022
TOM GREEN COUNTY RIGHT-OF-WAY FUND (FUND 7061)		
Receipts from Mineral Sources:		
Oil Royalty	1,649.63	764.86
Receipts from Misc. Interest and Other Collections:		
Interest	23.78	0.76
TOTAL TOM GREEN COUNTY	1,673.41	765.62
WARD COUNTY RIGHT-OF-WAY FUND (FUND 7064)		
Receipts from Mineral Sources:		
Oil Royalty	16,048.18	23,556.11
Gas Royalty	9,806.02	15,378.19
Receipts from Misc. Interest and Other Collections:		
Interest	456.23	75.96
TOTAL WARD COUNTY	26,310.43	39,010.26
WASHINGTON COUNTY RIGHT-OF-WAY FUND (FUND 7065)		
Receipts from Mineral Sources:		
Oil Royalty	176,128.06	81,799.01
Gas Royalty	64,084.79	47,968.42
Receipts from Misc. Interest and Other Collections:		
Interest	3,321.07	289.09
TOTAL WASHINGTON COUNTY	243,533.92	130,056.52
WEBB COUNTY RIGHT-OF-WAY FUND (FUND 7066)		
Receipts from Mineral Sources:		
Oil Royalty	0.28	1.03
Gas Royalty	123.89	95.26
Receipts from Misc. Interest and Other Collections:		
Interest	1.51	0.00
TOTAL WEBB COUNTY	125.68	96.29
WHARTON COUNTY RIGHT-OF-WAY FUND (FUND 7067)		
Receipts from Mineral Sources:		
Oil Royalty	0.00	(77.56)
Gas Royalty	4.07	(2,868.28)
Receipts from Misc. Interest and Other Collections:		
Interest	(110.00)	1.54
TOTAL WHARTON COUNTY	(105.93)	(2,944.30)
WHEELER COUNTY RIGHT-OF-WAY FUND (FUND 7068)		
Receipts from Mineral Sources:		
Oil Royalty	2,459.64	101.72
Gas Royalty	2,595.78	399.23
Receipts from Misc. Interest and Other Collections:		
Interest	17.67	0.50
TOTAL WHEELER COUNTY	5,073.09	501.45
WILSON COUNTY RIGHT-OF-WAY FUND (FUND 7069)		
Receipts from Mineral Sources:		
Oil Royalty	26,889.64	33,974.90
Gas Royalty	496.57	820.32
Receipts from Misc. Interest and Other Collections:		
Interest	408.01	56.55
TOTAL WILSON COUNTY	27,794.22	34,851.77
RED RIVER COUNTY RIGHT-OF-WAY FUND (FUND 7073)		
Receipts from Mineral Sources:		
Oil Royalty	922.69	794.80
Receipts from Misc. Interest and Other Collections:		
Interest	13.95	1.24
TOTAL RED RIVER COUNTY	936.64	796.04

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SCHEDULE 4 (concluded)

	TOTALS	
	2023	2022
	\$	\$
REEVES COUNTY RIGHT-OF-WAY FUND (FUND 7074)		
Receipts from Mineral Sources:		
Oil Royalty	10,309.96	19,340.81
Gas Royalty	7,068.14	13,710.16
Receipts from Misc. Interest and Other Collections:		
Interest	324.80	62.98
TOTAL REEVES COUNTY	<u>17,702.90</u>	<u>33,113.95</u>
SAN PATRICIO COUNTY RIGHT-OF-WAY FUND (FUND 7076)		
Receipts from Misc. Interest and Other Collections:		
Interest	180.11	0.00
TOTAL SAN PATRICIO COUNTY	<u>180.11</u>	<u>0.00</u>
JASPER COUNTY RIGHT-OF-WAY FUND (FUND 7077)		
Receipts from Mineral Sources:		
Oil Royalty	23.05	13.93
Gas Royalty	10.75	3.60
Receipts from Misc. Interest and Other Collections:		
Interest	0.01	0.00
TOTAL JASPER COUNTY	<u>33.81</u>	<u>17.53</u>
JASPER COUNTY RIGHT-OF-WAY FUND (FUND 7078)		
Receipts from Mineral Sources:		
Oil Royalty	15,699.36	8,110.32
Gas Royalty	2,958.83	467.13
Receipts from Misc. Interest and Other Collections:		
Interest	251.19	3.46
TOTAL JASPER COUNTY	<u>18,909.38</u>	<u>8,580.91</u>
SAN PATRICIO COUNTY RIGHT-OF-WAY FUND (FUND 7076)		
Receipts from Mineral Sources:		
Oil Royalty	23.05	13.93
Gas Royalty	10.75	3.60
Interest	0.01	0.00
TOTAL SAN PATRICIO COUNTY	<u>33.81</u>	<u>17.53</u>
TOTAL COUNTY RIGHT-OF-WAY FUNDS*	<u>6,264,202.33</u>	<u>7,009,449.73</u>
TOTAL, ALL FUNDS (Schedule 5)	<u>2,423,536,177.30</u>	<u>3,741,977,638.55</u>

UNAUDITED
Texas General Land Office and Veterans' Land Board

SCHEDULE 5

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

For the Year Ended August 31, 2023

(With comparative memorandum totals for the year ended August 31, 2022)

	TOTALS	
	2023	2022
RECEIPTS FROM MINERAL SOURCES	\$	\$
Oil Royalty	1,062,280,589.70	1,157,509,941.79
Gas Royalty	681,225,831.28	808,379,084.47
Mineral Lease Bonus	66,131,099.38	63,713,371.24
Mineral Lease Rental	1,181,379.70	403,329.66
Mining Lease Royalty	338,862.25	760,794.29
Mining Lease Rental and Bonus	209,882.39	471,663.78
Water Royalties	708,288.59	141,474.36
Hard Mineral Royalty	0.00	51,593.08
Shut-In Mineral Royalty	700,760.93	4,655,584.14
Prospect Permits	13,760.00	9,293.75
Outer Continental Shelf Judgment	1,461,819.12	1,148,379.41
Miscellaneous Rentals, Royalty, and Easements	363,225.28	422,816.27
TOTAL RECEIPTS FROM MINERAL SOURCES	1,814,615,498.62	2,037,684,052.44
RECEIPTS FROM REAL ASSET INVESTMENTS		
Internal Investment Receipts	50,432,556.13	23,896,474.46
External Investment Receipts	430,084,711.43	1,507,707,257.66
Other Land Sales	495,224.99	0.00
TOTAL RECEIPTS FROM REAL ASSET INVESTMENTS	484,036,843.75	1,531,603,732.12
RECEIPTS FROM STATE ENERGY MARKETING PROGRAM		
SEMP Receipts for Third Party Purchases	60,643,217.42	77,817,625.60
State Power Program	2,366,094.57	599,575.42
TOTAL RECEIPTS FROM STATE ENERGY MARKETING PROGRAM	63,009,311.99	78,417,201.02
RECEIPTS FROM SURFACE RENTALS, EASEMENTS, AND DAMAGES		
Surface Damage Fees	4,634,372.73	5,516,269.12
Uplands Commercial	1,406,498.13	1,491,713.43
Coastal Commercial	2,122,501.65	1,520,775.14
Coastal S-T Lease Rental	400,466.43	379,085.88
Easements	4,692,881.73	4,214,290.28
Surface Lease Rental	8,885,946.63	7,203,453.79
Rental of Land	1,051,242.25	341,148.12
TOTAL RECEIPTS FROM SURFACE RENTALS, EASEMENTS, AND DAMAGES	23,193,909.55	20,701,735.76
RECEIPTS FROM MISC. INTEREST AND OTHER COLLECTIONS		
Interest	40,284,570.34	17,515,028.79
State of Texas Sales Tax	113.18	202.32
Land Office Administrative Fees	260,966.11	370,588.41
Miscellaneous	(1,894,779.16)	55,658,344.25
Specialty License Plates	29,742.92	26,753.44
TOTAL RECEIPTS FROM MISC. INTEREST AND OTHER COLLECTIONS	38,680,613.39	73,570,917.21
TOTAL, ALL SOURCES (Schedule 4)	2,423,536,177.30	3,741,977,638.55

TEXAS GENERAL LAND OFFICE
VETERANS LAND BOARD

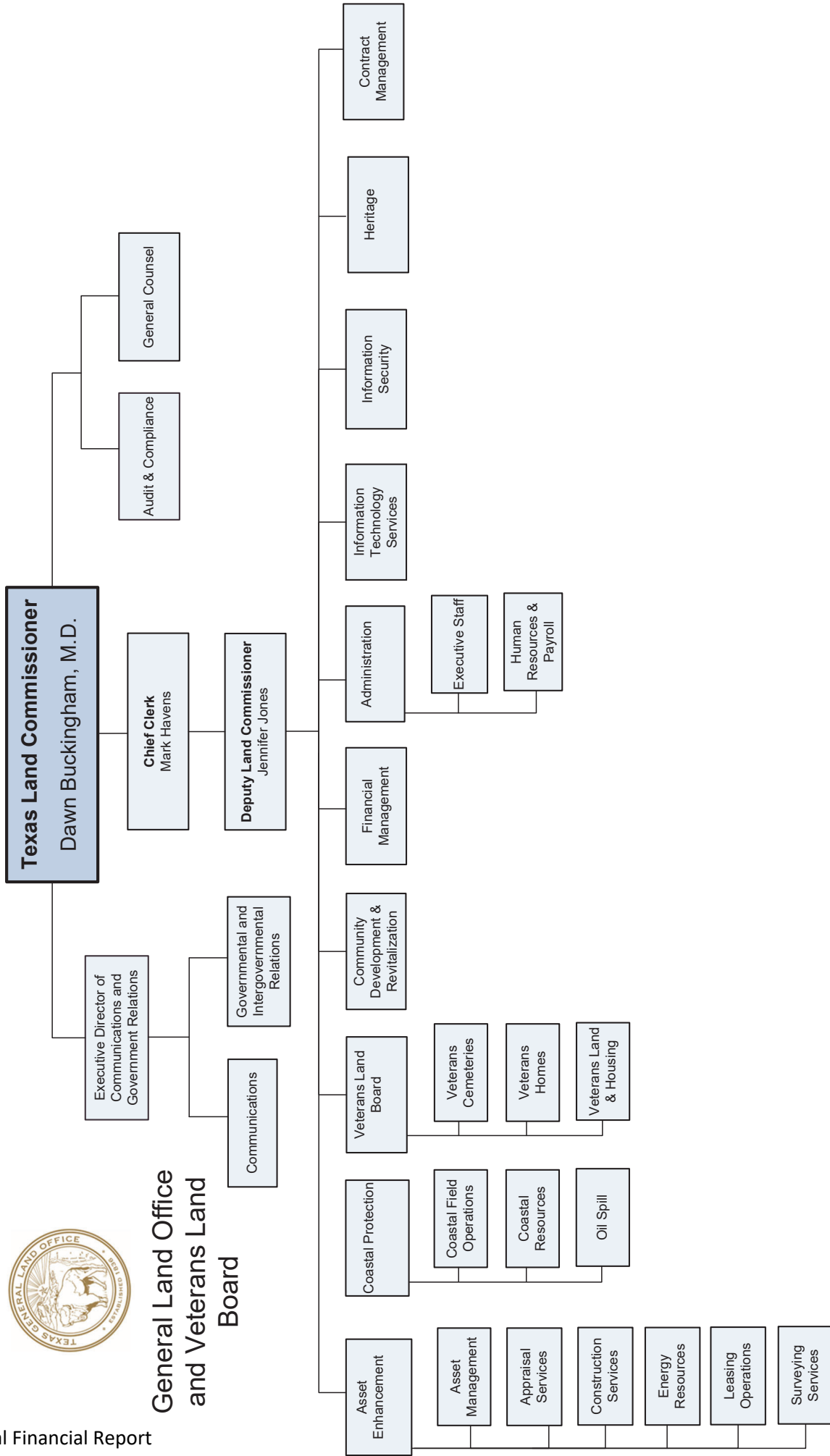
ADDENDUM

UNAUDITED ANNUAL FINANCIAL
REPORT AUGUST 31, 2023





General Land Office and Veterans Land Board



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 18.4 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	407,191.42
Lakes	67,934.33
Islands	18,051.84
Relinquishment Act Land (mineral interest)	6,322,279.99
Free Royalty Land	816,001.94
Surface Sold and All or Part	
Minerals Reserved	406,402.46
Surface Only Acquired	107,396.39
Surface Acquired and All or Part	
Minerals Acquired	142,348.23
Escheated Lands	75.77
Court Judgments	54,233.44
Gifts	19.73
Undivided Interest	33.08
State Real Property Inventory	1,246,325.54
Permanent University Fund	2,104,727.61
Excess (estimated)	1,747,600.00
Veterans' Land Board (land contracts)	78,684.84
Total (estimated)	18,432,936.85

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 Dawn Buckingham was elected in the November 2022 election for a term beginning January 1, 2023 through December 31, 2026.

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.

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 2021. Expenses related to citizen members are paid from legislative appropriations granted to the Texas General Land Office. The citizen members serving at August 31, 2021 were:

Member	City	Term Expires
Gilbert Burciaga	Austin	08/29/2023
Michael A. Neill	Athens	08/29/2023
Marcella Burke	Houston	08/29/2023
James B. "Brad" Curlee	Georgetown	08/29/2023

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 2021 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, 2021 were:

Member	City	Term Expires
Christina Melton Crain	Dallas	02/01/2023
Nolan Perez	Harlingen	02/01/2023
Vacancy		

Mineral Lease Sales				
Fiscal Year 2023				
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> November 2, 2022	14	4,709.37	\$ 14,245,897.92	\$ 3,025.01
Total	14	4,709.37	14,245,897.92	3,025.01
Special Boards for Lease				
Texas Department of Transportation				
<i>Oil and Gas</i> November 2, 2022	0	0.00	0.00	-
Total	0	0.00	0.00	-

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, 2021 were:

<u>Member</u>	<u>City</u>	<u>Term Expires</u>
Jeffrey D. Hildebrand	Houston	(ex officio)
Clifton E. "Cliff" Bickerstaff	Amarillo	09/01/2023

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, 2021 were:

<u>Member</u>	<u>City</u>	<u>Term Expires</u>
Erin E. Lunceford	Houston	09/01/2023
Erin Nichols	Austin	(ex officio)

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, 2023 were:

<u>Member</u>	<u>City</u>	<u>Term Expires</u>
Judson Scott	Bee Cave	12/29/2026
James Rothfelder	New Braunfels	12/29/2024

Data applicable to land, housing and home improvement loan program activities of the Veterans' Land Board are presented in Note 33 - VLB Programs.

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.

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, 2022 were:

<u>Member</u>	
Laura Koerner	<i>TVC Chairman</i>
Kimberlee Shaneyfelt	<i>TVC Vice Chairman</i>
James Clement	
Judson Scott	
Grant Austin Moody	

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>
Julie McEntire, Chair <i>Director of Grant Programs, Coastal Resources Texas General Land Office</i>	
Mayor Alejandro Flores <i>Local Elected Official Appointee</i>	2028 ⁽¹⁾
Amy Belaire <i>Local Business Representative</i>	2028 ⁽¹⁾
George Guillen, Ph.D. <i>Local Citizen Representative</i>	2028
Rob Ziehr <i>Agricultural Representative</i>	2028
Brian Koch <i>Texas State Soil and Water Conservation Board</i>	2025
Leslie Savage <i>Railroad Commission of Texas</i>	2025
Carla Guthrie, Ph.D. <i>Texas Water Development Board</i>	2025
Pamela Plotkin, Ph.D. <i>Texas Sea Grant College Program</i>	2025
Doug Booher <i>Texas Department of Transportation</i>	2025
Robin Riechers <i>Texas Parks and Wildlife Department</i>	2025
Steven Schar <i>Texas Commission on Environmental Quality</i>	2025

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

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, Charlie Amato, Dr. Francisco Cigarroa, Peter John Holt and Dr. Kate Rogers and Adrian Piloto (non-voting).

Heritage Division

In FY2023, the land commissioner created the Heritage Division, which consists of three positions that assist the land commissioner with oversight of the Alamo, along with supervision of the Archives and Records Division.

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 historical, genealogical, archeological, mineral, 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 41,157 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 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 a traveling 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 handling and 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 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. 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 2,300 reports on properties having a total market value of over \$1.137 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 general oversight of maintenance and construction projects related to the Texas Alamo, plus agency space management, lease space build outs and furniture 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 year 2023, the Permanent School Fund (PSF) received \$64,373,436.68 in lease bonuses. These bonuses are the cash consideration paid by a lessee for execution of an oil and gas lease. The total oil and gas revenues deposited into the PSF was \$858,321,467.74 in fiscal year 2023.

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 oversight and management of approximately 650,000 acres of Permanent School Fund land 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 offices located in Austin and 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 approximately 270 active upland surface leases and approximately 100 Special Documents authorizing a variety of uses on approximately 600,000 acres of leased Permanent School Fund land. The Surface Management Team performed a total of 226 inspections in fiscal year 2023.

The Right of Way Team issues easements on state-owned upland tracts and coastal submerged lands for projects which require right-of-way access, across, under, or over state-owned lands, pursuant to Texas Natural Resource Code §51.291. Easement contracts typically 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 approximately 4,700 active easements on upland and submerged state-owned lands.

The Leasing Operations Division is responsible for the overall management of activities involving the surface use of state-owned upland property. Division staff provide field assessments on proposed and existing projects, monitor the use of state-owned land and negotiate and issue instruments authorizing the use of those lands. 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 oversees renewable energy leasing. Currently there is one active wind energy lease in Starr County and one active solar lease in Reeves County, both of which are in the operational phase. 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 658,000 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 for 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 and Response Act program (CEPRA), and Resource Management, which includes Natural Resource Damage Assessment (NRDA), Texas Beach Watch, , Adopt-A-Beach, Texas Coastal Ocean Observation Network (TCOON), and the Beach Access and Dune Protection Program.

Grant Programs administers the 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 more than \$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.

The CMP also awards grants, approximately \$ 2 million annually in NOAA funding. About 90% of these funds are passed to subrecipients and the remainder is used to administer the CMP program. In FY23, the CMP awarded 19 NOAA funded projects. As program administrator for the State of Texas, the GLO completed an administrative rule chapter transfer, moving CMP rules from under Part 16, 31 TAC Chapters 501-506 to Part 1, 31 TAC Chapters 26-30. The CMP also completed a rule amendment, effective July 10, 2023 that updated legal citations and makes minor revisions to reflect current practice in 31 TAC Chapters 26-30. Additionally, the federal consistency procedures, now located under 31 TAC Chapter 30 (formerly Chapter 506), were repealed and simultaneously replaced with new Chapter 30. Chapter 30 was also reorganized, streamlined, and updated to be consistent with the federal consistency regulations in 15 CFR Part 930.

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.
- Implementation of the Coastal Management Program and Coastal and Estuarine Land Conservation Program.

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. To date, the Texas Beach Watch Program has been awarded \$8.8 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 172 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 March through October, and every two weeks during the rest of the year.

The Beach Access and Dune Protection Program fosters sound stewardship of Texas coastal natural resources on our barrier islands. This regulatory 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 all 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 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 567,000 volunteers have removed 9,800 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 (RP) 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 \$270 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 Texas Trustee Implementation Group has selected 39 early and post-settlement restoration projects in Texas. Several of those projects have been completed or are in the final monitoring phase. Projects seek to compensate for lost recreational use of natural resources, injury to water quality, injury to coastal habitat; and injury to sea turtles, birds, and oysters.

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 received \$203 million over five years. NFWF consulted extensively with NRDA staff at GLO, TPWD, and TCEQ to develop projects that met the settlement criteria. NFWF has fully awarded the \$203 million to fund 54 projects in Texas. The GLO served as implementing trustee for over \$33 million in projects.

COASTAL FIELD OPERATIONS

The Upper and Lower Coast Field Offices work directly with Commercial Leasing and Leasing Operations, and together, during fiscal 2023, managed over 9,220 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 852 inspections in fiscal 2023 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 (OSPREA) 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 and 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 775 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 conduct audits and inspections

on vessels as well as oil handling facilities along the coast. Other critical staff functions include conducting 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.

OSPREA 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.

OSPREA 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 519 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 4,008 company accounts representing over 28,307 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 provides practical prevention measures. The Small Spill Education Program supports *Operation Scupper Plug* to furnish fuel docks and fishermen with fuel collars and sorbent materials to prevent the accidental discharge of diesel and gasoline during fueling operations for recreational and commercial vessels.

The Oil Spill program supports fixed and mobile 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 removed product is properly disposed of to prevent this oil from being released into the environment.

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 1,717 derelict vessels coast-wide and assisted with removal of 1,544 vessels. Although the number fluctuates as vessels are added and removed, currently, 152 vessels remain.

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 1,441 boats totaling 23,345 linear feet and recovering 2,433 gallons of oil pollution. Based on an estimated removal cost of \$500 per linear foot, 36 GLO-sponsored VTIP events have saved taxpayers more than 11.6 million dollars of potential state funded cleanup costs.

Texas Land Commissioner Dawn Buckingham, M.D. is pleased to announce that the Texas General Land Office Oil Spill division will partner with the Gulf of Mexico Alliance (GOMA) to remove 22 derelict vessels from Texas coastal waters. More than \$10 million in funding awarded to GOMA will help support healthy marine and coastal environments by removing abandoned or derelict vessels across the Gulf coast. This incredible project is made possible by the National Oceanic and Atmospheric Administration Marine Debris Program with support from the Bipartisan Infrastructure Law.

Section 40.302 of the Oil Spill Prevention and Response Act (OSPRA) requires the GLO enter into interagency contracts with state institutions of higher learning for the purposes of research and development of oil discharge prevention and response technology, oil spill response training, wildlife and natural resources rescue and rehabilitation, computer models to predict the movements and impacts of unauthorized discharges of oil, and other purposes consistent with OSPRA. The Oil Spill Research & Development (R&D) Program is appropriated \$1,250,000 annually through the Coastal Protection Fund for those purposes. Every two years, the R&D Program requests applications to advance the development of oil spill prevention technologies and effective spill response tools that reduce industry, agency, and taxpayer costs while enhancing agency public perception and minimizing environmental impacts of oil spills.

The R&D Program also funds three vital maintenance and operations (M&O) projects that support the Oil Spill Program's planning and response capabilities through the development and operation of the Texas Automated Buoy System (TABS), the TABS hydrodynamic model for the Gulf of Mexico, and the inshore and bay hydrodynamic model that was built and maintained for the GLO by the Texas Water Development Board. Currently, the Oil Spill Division budgets a total of \$992,883 annually for the three M&O projects.

The Oil Spill program has also implemented Unmanned Aircraft Systems (UAS or "drones") for spill investigation, vessel assessment and storm response. Drones provide response officers with better access to environmentally sensitive or unsafe locations. Oil Spill currently has six drones, including two with

with thermal capabilities, enabling response officers to gauge tank levels and observe product that may not be visible with the naked eye. Our UAS platform, DroneSense provides live streaming and remote viewing, as well as increased interoperability with other state agencies on the same platform. The Oil Spill Division has nine certified remoted pilots and recently acquired Orthomosaics Mapping software for mapping spill and storm events.

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 (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. CDR's active grant awards currently include the \$3.1 billion CDBG-DR grant for Hurricanes Ike and Dolly, the \$31.3 million CDBG-DR grant for the 2011 Wildfires, the \$313.4 million CDBG-DR grants for 2015 and 2016 statewide flooding, the \$5.7 billion Hurricane Harvey CDBG-DR grant, the \$4.3 billion CDBG-MIT grant for 2015 and 2016 statewide flooding and Hurricane Harvey, the \$72.9 million CDBG-DR grants for 2018

Floods, and the \$227.5 million CDBG-DR grant for 2019 Floods and Tropical Storm Imelda.

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 the 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 four divisions: Executive, Operations, Regulatory Policy and Mapping, and Program Integration.

The Executive division is comprised of two departments: Grant Management and Housing and Quality Assurance, . 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 and Quality Assurance team include management of construction and inspections, Section 3 compliance, and Fair Housing Activity Statement program compliance.

The Operations division is comprised of three departments: Fiscal Analysis and Coordination, Special Projects, and Business Management. These divisions support CDR with vendor oversight, grant portfolio management, and training coordination.

The Program Integration division is comprised of three departments: Program Integration, Staff Services, and Studies, Research, 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 Staff Services team provides building services support and travel coordination. The Studies, Research, 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.

Information Technology Services

Information Technology Services (ITS) is responsible for all aspects of information technology strategic planning, operations, and service delivery for the GLO. ITS supports the agency by providing the following information technology related services: application development, business analysis and advisory, business intelligence, contracting and procurement, geographic information systems, operations and support, project management, regulatory and audit compliance, and strategic planning. ITS serves as a value-partner and enabler of the agency business operations. ITS works directly with agency leadership and program areas to ensure they are provided the information technology services and resources necessary to conduct business.

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 VLB Bond Funds 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 Veterans Land Board Accounting, 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 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. 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 VLB Bond Funds Management division 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, the division 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. The division 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 division ensures that the Veterans' Land Board investment portfolio maintains compliance with federal arbitrage regulations. Also, the division negotiates contract terms of management and operations agreements with operators of the veterans homes in the David A. Gloier Texas State Veterans Home Program, including cash flow projections, debt service coverage analyses, and recommendations to the VLB concerning the structure of resident room rates.

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 services facilitating 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 oversees the agency's performance management program;
- reviews, updates, and maintains the agency policies and procedures in the GLO Employee Handbook to ensure compliance with relevant laws and regulations;
- advises supervisors and employees on HR-related policies, laws, and procedures and on employee relations matters;
- 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;
- coordinates special projects for the agency, including employee recognition events such as the annual GLO service awards recognition ceremony; and
- 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.

Bond Funds Management

Bond Funds Management 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 First Bank as Housing Program Administrator and its participating lenders. Mr. Cooper 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 and Land Mortgage 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 I Program which offers veterans the opportunity to purchase foreclosed tracts. Tracts not sold during veteran only forfeited land sales are made available to the general public for purchase under the Type II program.

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 State Veterans Cemeteries in Killeen, Mission, Abilene and Corpus Christi. The four cemeteries have a combined capacity for 137,000 internments. The program maintains a close and collaborative relationship with the United States Department of Veterans Affairs concerning the burial needs of our Texas Veterans and their families.

