



TEXAS DEPARTMENT OF AGRICULTURE
COMMISSIONER SID MILLER

ANNUAL FINANCIAL REPORT

For the Year Ended August 31, 2020



TEXAS DEPARTMENT OF AGRICULTURE
COMMISSIONER SID MILLER

November 20, 2020

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

To Governor Abbott, Comptroller Hegar, Director McGinty, and First Assistant Collier:

We are pleased to submit the annual financial report of the Texas Department of Agriculture for the year ended August 31, 2020 in compliance with Texas Government Code Annotated, Section 2101.011, and in accordance with the requirements established by the Texas Comptroller of Public Accounts.

Due to the statewide requirements embedded in Governmental Accounting Standards Board (GASS) Statement 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 (CAFR); therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

If you have any questions regarding the Annual Financial Report, please contact Irma Rodriguez at (512) 463-7487 or Ann Martinez may be contacted at (512) 463-5551 for questions related to the Schedule of Expenditures of Federal Awards.

Sincerely,

Jason Fearneyhough
Deputy Commissioner

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Exhibit and schedule numbers are dictated by the State Comptroller's Annual Financial Reporting Guidelines. Not every schedule is needed by TDA; therefore, some numbers may be intentionally skipped.

COMBINED FINANCIAL STATEMENTS

TEXAS DEPARTMENT OF AGRICULTURE

Exhibit I — Combined Balance Sheet/Statement of Net Position — Governmental Funds
August 31, 2020

Governmental Fund Types

	General Funds	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds
ASSETS					
Current Assets:					
Cash and Cash Equivalents (Note 3)					
Cash on Hand	\$ -	\$ -	\$ -	\$ -	\$ -
Cash in Bank	20,000.00	-	-	-	-
Cash in Transit/Reimburse from Treasury	-	-	-	-	-
Cash in State Treasury	13,723,896.87	1,926,914.61	-	-	2,742,805.96
Short Term Investments (Note 3)	-	-	-	-	-
Securities Lending Collateral	-	-	-	-	-
Legislative Appropriations	24,194,888.91	-	-	-	-
Receivables from:					
Accounts Receivable	8,268,304.71	-	-	-	-
Taxes	-	-	-	-	-
Federal	96,231,927.61	-	-	-	-
Investment Trades	-	-	-	-	-
Other Intergovernmental	-	-	-	-	-
Interest and Dividends	-	-	-	-	-
Gifts, Pledges and Donations	-	-	-	-	-
Other	-	-	-	-	-
Due From Other Funds (Note 12)	-	-	-	-	-
Due From Other Agencies (Note 12)	105,444.07	-	-	-	-
Interfund Receivable (Note 12)	-	(1,837,905.36)	-	-	-
Consumable Inventories	118,956.68	-	-	-	-
Merchandise Inventories	273,307.72	-	-	-	-
Prepaid Items	-	-	-	-	-
Loans and Contracts	-	-	-	-	-
Restricted:					
Cash and Cash Equivalents (Note 3)					
Cash on Hand	-	-	-	-	-
Cash in Bank	-	-	-	-	-
Short Term Investments (Note 3)	-	-	-	-	-
Other Current Assets	-	-	-	-	-
Non-Current Assets:					
Gifts, Pledges and Donations	-	-	-	-	-
Interfund Receivable (Note 12)	-	-	-	-	-
Investments (Note 3)	-	-	-	-	3,532,079.78
Loans and Contracts	-	-	-	-	-
Restricted:					
Cash and Cash Equivalents (Note 3)					
Cash on Hand	-	-	-	-	-
Cash in Bank	-	-	-	-	-
Short Term Investments (Note 3)	-	-	-	-	-
Receivables	-	-	-	-	-
Investments (Note 3)	-	-	-	-	-
Loans and Contracts	-	-	-	-	-
Other Assets	-	-	-	-	-
Hedging Derivative Asset (Note 7)	-	-	-	-	-
Intangible Assets – Service Concession	-	-	-	-	-
Arrangements (Note 27)	-	-	-	-	-
Capital Assets (Note 2):					
Non-Depreciable or Non-Amortizable	-	-	-	-	-
Depreciable or Amortizable, Net	-	-	-	-	-
Other Non-Current Assets	-	-	-	-	-
Total Assets	\$ 142,936,726.57	\$ 89,009.25	\$ -	\$ -	\$ 6,274,885.74
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows of Resources (Note 28)	-	-	-	-	-
Total Deferred Outflows of Resources	\$ -	\$ -	\$ -	\$ -	\$ -

TEXAS DEPARTMENT OF AGRICULTURE

Exhibit I — Combined Balance Sheet/Statement of Net Position — Governmental Funds

August 31, 2020

	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Other Adjustments	Statement of Net Position
ASSETS					
Current Assets:					
Cash and Cash Equivalents (Note 3)					
Cash on Hand	\$ -	\$ -	\$ -	\$ -	\$ -
Cash in Bank	20,000.00	-	-	-	20,000.00
Cash in Transit/Reimburse from Treasury	-	-	-	-	-
Cash in State Treasury	18,393,617.44	-	-	-	18,393,617.44
Short Term Investments (Note 3)	-	-	-	-	-
Securities Lending Collateral	-	-	-	-	-
Legislative Appropriations	24,194,888.91	-	-	-	24,194,888.91
Receivables from:					
Accounts Receivable	8,268,304.71	-	-	-	8,268,304.71
Taxes	-	-	-	-	-
Federal	96,231,927.61	-	-	-	96,231,927.61
Investment Trades	-	-	-	-	-
Other Intergovernmental	-	-	-	-	-
Interest and Dividends	-	-	-	-	-
Gifts, Pledges and Donations	-	-	-	-	-
Other	-	-	-	-	-
Due From Other Funds (Note 12)	-	-	-	-	-
Due From Other Agencies (Note 12)	105,444.07	-	-	-	105,444.07
Interfund Receivable (Note 12)	(1,837,905.36)	-	-	-	(1,837,905.36)
Consumable Inventories	118,956.68	-	-	-	118,956.68
Merchandise Inventories	273,307.72	-	-	-	273,307.72
Prepaid Items	-	-	-	-	-
Loans and Contracts	-	-	-	-	-
Restricted:					
Cash and Cash Equivalents (Note 3)					
Cash on Hand	-	-	-	-	-
Cash in Bank	-	-	-	-	-
Short Term Investments (Note 3)	-	-	-	-	-
Other Current Assets	-	-	-	-	-
Non-Current Assets:					
Gifts, Pledges and Donations	-	-	-	-	-
Interfund Receivable (Note 12)	-	-	-	-	-
Investments (Note 3)	3,532,079.78	-	-	-	3,532,079.78
Loans and Contracts	-	-	-	-	-
Restricted:					
Cash and Cash Equivalents (Note 3)					
Cash on Hand	-	-	-	-	-
Cash in Bank	-	-	-	-	-
Short Term Investments (Note 3)	-	-	-	-	-
Receivables	-	-	-	-	-
Investments (Note 3)	-	-	-	-	-
Loans and Contracts	-	-	-	-	-
Other Assets	-	-	-	-	-
Hedging Derivative Asset (Note 7)	-	-	-	20,359.00	20,359.00
Intangible Assets – Service Concession Arrangements (Note 27)	-	-	-	-	-
Capital Assets (Note 2):					
Non-Depreciable or Non-Amortizable	-	2,152,807.50	-	-	2,152,807.50
Depreciable or Amortizable, Net	-	5,321,174.64	-	-	5,321,174.64
Other Non-Current Assets	-	-	-	-	-
Total Assets	\$ 149,300,621.56	\$ 7,473,982.14	\$ -	\$ 20,359.00	\$ 156,794,962.70
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows of Resources (Note 28)	-	-	-	-	-
Total Deferred Outflows of Resources	\$ -	\$ -	\$ -	\$ -	\$ -

TEXAS DEPARTMENT OF AGRICULTURE

Exhibit I — Combined Balance Sheet/Statement of Net Position — Governmental Funds
August 31, 2020

Governmental Fund Types

	General Funds	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Current Liabilities:					
Payables from:					
Accounts	\$ 49,885,779.91	\$ -	\$ -	\$ -	\$ -
Investment Trade	-	-	-	-	-
Other Intergovernmental	-	-	-	-	-
Payroll	3,626,953.58	-	-	-	-
Federal	-	-	-	-	-
Interest	-	-	-	-	-
Contracts	-	-	-	-	-
Other	-	-	-	-	-
Contract Retainage Payable	-	-	-	-	-
Due To Other Funds (Note 12)	-	-	-	-	-
Due To Other Agencies (Note 12)	719,143.64	-	-	-	-
Due To Component Units	-	-	-	-	-
Interfund Payable (Note 12)	-	-	-	-	-
Unearned Revenues	47,843,018.47	-	-	-	-
Obligations/Reverse Repurchase Agreement	-	-	-	-	-
Obligations Under Securities Lending	-	-	-	-	-
Short Term Debt	-	-	-	-	-
Employees' Compensable Leave (Note 5)	-	-	-	-	-
Claims and Judgments (Note 5)	-	-	-	-	-
Capital Lease Obligations (Note 5, 8)	-	-	-	-	-
Notes and Loans Payable (Note 5)	-	-	-	-	-
Liabilities Payable from Restricted Assets	-	-	-	-	-
Funds Held For Others	-	-	-	-	-
Other Current Liabilities	-	-	-	-	-
Non-Current Liabilities					
Interfund Payable	-	-	-	-	-
Employees' Compensable Leave (Note 5)	-	-	-	-	-
Claims and Judgments (Note 5)	-	-	-	-	-
Capital Lease Obligations (Note 5, 8)	-	-	-	-	-
Notes and Loans Payable (Note 5)	-	-	-	-	-
Liabilities Payable from Restricted Assets	-	-	-	-	-
Assets Held for Others	-	-	-	-	-
Other Non-Current Liabilities	-	-	-	-	-
Total Liabilities	102,074,895.60	-	-	-	-
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows of Resources (Note 28)	-	-	-	-	-
Total Deferred Inflows of Resources	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Financial Statement					
Fund Balances (Deficits):					
Nonspendable	392,264.40	-	-	-	-
Restricted	15,491,402.62	-	-	-	6,274,885.74
Committed	-	-	-	-	-
Assigned	1,103,689.96	-	-	-	-
Unassigned	23,874,473.99	89,009.25	-	-	-
Total Fund Balances	40,861,830.97	89,009.25	-	-	6,274,885.74
Total Liabilities, Def Inflows of Resources & Fund Balances	\$ 142,936,726.57	\$ 89,009.25	\$ -	\$ -	\$ 6,274,885.74

TEXAS DEPARTMENT OF AGRICULTURE

Exhibit I — Combined Balance Sheet/Statement of Net Position — Governmental Funds

August 31, 2020

	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Other Adjustments	Statement of Net Position
LIABILITIES, DEFERRED INFLOWS OF RESOURCES					
Current Liabilities:					
Payables from:					
Accounts	\$ 49,885,779.91	\$ -	\$ -	\$ -	\$ 49,885,779.91
Investment Trade	-	-	-	-	-
Other Intergovernmental	-	-	-	-	-
Payroll	3,626,953.58	-	-	-	3,626,953.58
Federal	-	-	-	-	-
Interest	-	-	-	-	-
Contracts	-	-	-	-	-
Other	-	-	-	-	-
Contract Retainage Payable	-	-	-	-	-
Due To Other Funds (Note 12)	-	-	-	-	-
Due To Other Agencies (Note 12)	719,143.64	-	-	-	719,143.64
Due To Component Units	-	-	-	-	-
Interfund Payable (Note 12)	-	-	-	-	-
Unearned Revenues	47,843,018.47	-	-	-	47,843,018.47
Obligations/Reverse Repurchase Agreement	-	-	-	-	-
Obligations Under Securities Lending	-	-	-	-	-
Short Term Debt	-	-	-	-	-
Employees' Compensable Leave (Note 5)	-	-	2,470,625.97	-	2,470,625.97
Claims and Judgments (Note 5)	-	-	-	-	-
Capital Lease Obligations (Note 5, 8)	-	-	-	-	-
Notes and Loans Payable (Note 5)	-	-	-	-	-
Liabilities Payable from Restricted Assets	-	-	-	-	-
Funds Held For Others	-	-	-	-	-
Other Current Liabilities	-	-	-	-	-
Non-Current Liabilities					
Interfund Payable	-	-	-	-	-
Employees' Compensable Leave (Note 5)	-	-	1,958,212.65	-	1,958,212.65
Claims and Judgments (Note 5)	-	-	-	-	-
Capital Lease Obligations (Note 5, 8)	-	-	-	-	-
Notes and Loans Payable (Note 5)	-	-	-	-	-
Liabilities Payable from Restricted Assets	-	-	-	-	-
Assets Held for Others	-	-	-	-	-
Other Non-Current Liabilities	-	-	-	-	-
Total Liabilities	102,074,895.60	-	4,428,838.62	-	106,503,734.22
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows of Resources (Note 28)	-	-	-	-	-
Total Deferred Inflows of Resources	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Financial Statement					
Fund Balances (Deficits):					
Nonspendable	392,264.40	-	-	-	392,264.40
Restricted	21,766,288.36	-	-	-	21,766,288.36
Committed	-	-	-	-	-
Assigned	1,103,689.96	-	-	-	1,103,689.96
Unassigned	23,963,483.24	-	-	-	23,963,483.24
Total Fund Balances	47,225,725.96	-	-	-	47,225,725.96
Total Liabilities, Def Inflows of Resources & Fund Balances	\$ 149,300,621.56	-	-	-	-
Government-Wide Statement of Net Position					
Net Position					
Net Investment in Capital Assets	-	7,473,982.14	-	-	7,473,982.14
Restricted For					
Debt Service	-	-	-	-	-
Capital Projects	-	-	-	-	-
Funds Held as Permanent Investments:					
Expendable	-	-	-	-	-
Nonexpendable	-	-	-	-	-
Other	-	-	-	-	-
Unrestricted	-	-	(4,428,838.62)	20,359.00	(4,408,479.62)
Total Net Position	\$ 7,473,982.14	\$ (4,428,838.62)	\$ -	\$ 20,359.00	\$ 50,291,228.48

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

TEXAS DEPARTMENT OF AGRICULTURE
Exhibit II — Combined Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of
Activities — Governmental Funds
For the Fiscal Year Ended August 31, 2020

	General Funds	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds
REVENUES					
Legislative Appropriations					
Original Appropriations (GR)	\$ 51,971,111.65	\$ -	\$ -	\$ -	\$ -
Additional Appropriations (GR)	5,412,270.84	-	-	-	-
Taxes (GR)	-	-	-	-	-
Federal Revenue (PR - Operating or Capital)	742,567,455.62	-	-	-	-
Federal Grant Pass-Through Revenue (GR)	-	-	-	-	-
State Grant Pass-Through Revenue (GR)	-	-	-	-	-
License, Fees & Permits (PR)	58,461.17	71,026.73	-	-	-
Interest and Other Investment Income (PR)	-	-	-	-	-
Interest and Other Investment Income (GR)	173,837.13	32,878.52	-	-	99,509.22
Net Increase (Decrease) in Fair Value (PR)	-	-	-	-	-
Net Increase (Decrease) in Fair Value (GR)	466,201.13	-	-	-	-
Land Income (PR)	-	-	-	-	-
Settlement of Claims (PR)	-	-	-	-	-
Settlement of Claims (GR)	-	-	-	-	-
Sales of Goods and Services (PR)	736,432.22	-	-	-	-
Other (PR - Chg for Serv, Operating or Capital)	2,923,554.22	-	-	-	-
Other (GR)	-	-	-	-	-
Total Revenues	804,309,323.98	103,905.25	-	-	99,509.22
EXPENDITURES					
Salaries and Wages	36,195,734.99	-	-	-	652.79
Payroll Related Costs	11,217,790.41	-	-	-	8,332.83
Professional Fees and Services	2,421,013.43	-	-	-	-
Travel	1,099,564.06	-	-	-	-
Materials and Supplies	2,071,367.81	-	-	-	-
Communication and Utilities	664,021.38	-	-	-	-
Repairs and Maintenance	1,497,786.96	-	-	-	-
Rentals and Leases	1,194,374.29	-	-	-	-
Printing and Reproduction	378,941.47	-	-	-	-
Claims and Judgments	-	14,896.00	-	-	-
Federal Grant Pass-Through Expenditures	3,031,822.93	-	-	-	-
State Grant Pass-Through Expenditures	541,703.62	-	-	-	-
Intergovernmental Payments	87,102,152.63	-	-	-	-
Public Assistance Payments	636,728,086.88	-	-	-	1,327,871.71
Employee Benefit Payments	-	-	-	-	-
Other Expenditures	3,377,737.29	-	-	-	24.35
Debt Service:	-	-	-	-	-
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Other Payments for Refunding	-	-	-	-	-
Capital Outlay	1,135,672.21	-	-	-	-
Depreciation and Amortization Expense	-	-	-	-	-
Total Expenditures/Expenses	788,657,770.36	14,896.00	-	-	1,336,881.68
Excess (Deficiency) of Revenues over (under)					
Expenditures	15,651,553.62	89,009.25	-	-	(1,237,372.46)

TEXAS DEPARTMENT OF AGRICULTURE
Exhibit II — Combined Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of
Activities — Governmental Funds
For the Fiscal Year Ended August 31, 2020

	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Other Adjustments	Statement of Activities
REVENUES					
Legislative Appropriations					
Original Appropriations (GR)	\$ 51,971,111.65	\$ -	\$ -	\$ -	\$ 51,971,111.65
Additional Appropriations (GR)	5,412,270.84	-	-	-	5,412,270.84
Taxes (GR)	-	-	-	-	-
Federal Revenue (PR - Operating or Capital)	742,567,455.62	-	-	-	742,567,455.62
Federal Grant Pass-Through Revenue (GR)	-	-	-	-	-
State Grant Pass-Through Revenue (GR)	-	-	-	-	-
License, Fees & Permits (PR)	129,487.90	-	-	-	129,487.90
Interest and Other Investment Income (PR)	-	-	-	-	-
Interest and Other Investment Income (GR)	306,224.87	-	-	17,938.86	324,163.73
Net Increase (Decrease) in Fair Value (PR)	-	-	-	-	-
Net Increase (Decrease) in Fair Value (GR)	466,201.13	-	-	-	466,201.13
Land Income (PR)	-	-	-	-	-
Settlement of Claims (PR)	-	-	-	-	-
Settlement of Claims (GR)	-	-	-	-	-
Sales of Goods and Services (PR)	736,432.22	-	-	-	736,432.22
Other (PR - Chg for Serv, Operating or Capital)	2,923,554.22	-	-	-	2,923,554.22
Other (GR)	-	-	-	-	-
Total Revenues	804,512,738.45	-	-	17,938.86	804,530,677.31
EXPENDITURES					
Salaries and Wages	36,196,387.78	-	370,236.48	-	36,566,624.26
Payroll Related Costs	11,226,123.24	-	-	-	11,226,123.24
Professional Fees and Services	2,421,013.43	-	-	-	2,421,013.43
Travel	1,099,564.06	-	-	-	1,099,564.06
Materials and Supplies	2,071,367.81	-	-	-	2,071,367.81
Communication and Utilities	664,021.38	-	-	-	664,021.38
Repairs and Maintenance	1,497,786.96	-	-	-	1,497,786.96
Rentals and Leases	1,194,374.29	-	-	-	1,194,374.29
Printing and Reproduction	378,941.47	-	-	-	378,941.47
Claims and Judgments	14,896.00	-	-	-	14,896.00
Federal Grant Pass-Through Expenditures	3,031,822.93	-	-	-	3,031,822.93
State Grant Pass-Through Expenditures	541,703.62	-	-	-	541,703.62
Intergovernmental Payments	87,102,152.63	-	-	-	87,102,152.63
Public Assistance Payments	638,055,958.59	-	-	-	638,055,958.59
Employee Benefit Payments	-	-	-	-	-
Other Expenditures	3,377,761.64	-	-	-	3,377,761.64
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Other Payments for Refunding	-	-	-	-	-
Capital Outlay	1,135,672.21	(1,135,672.21)	-	-	-
Depreciation and Amortization Expense	-	1,143,294.51	-	-	1,143,294.51
Total Expenditures/Expenses	790,009,548.04	7,622.30	370,236.48	-	790,387,406.82
Excess (Deficiency) of Revenues over (under)					
Expenditures	14,503,190.41	(7,622.30)	(370,236.48)	17,938.86	14,143,270.49

TEXAS DEPARTMENT OF AGRICULTURE
Exhibit II — Combined Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of
Activities — Governmental Funds
For the Fiscal Year Ended August 31, 2020

	General Funds	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds
OTHER FINANCING SOURCES (USES)					
Bond and Note Proceeds	-	-	-	-	-
Increase in Obligations Under Capital Leases	-	-	-	-	-
Sale of Capital Assets	86,056.96	-	-	-	-
Insurance Recoveries	-	-	-	-	-
Transfer In	12,611,248.62	-	-	-	2,523,457.85
Transfer Out	(21,465,033.34)	-	-	-	(840,159.57)
Legislative Transfer In	-	-	-	-	-
Legislative Transfer Out	-	-	-	-	-
Gain (Loss) on Sale of Capital Assets	-	-	-	-	-
Inc (Dec) in Net Position Due to Interagency Transfe	-	-	-	-	-
Total Other Financing Sources (Uses)	(8,767,727.76)	-	-	-	1,683,298.28
Net Change in Fund Balances/Net Position	6,883,825.86	89,009.25	-	-	445,925.82
Fund Financial Statement - Fund Balances					
Fund Balances, September 1, 2019	42,930,562.00	-	-	-	5,828,959.92
Restatements	-	-	-	-	-
Fund Balances, September 1, 2019, as Restated	42,930,562.00	-	-	-	5,828,959.92
Appropriations Lapsed	(8,952,556.89)	-	-	-	-
Fund Balances, August 31, 2020	\$ 40,861,830.97	\$ 89,009.25	\$ -	\$ -	\$ 6,274,885.74

TEXAS DEPARTMENT OF AGRICULTURE
Exhibit II — Combined Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of
Activities — Governmental Funds
For the Fiscal Year Ended August 31, 2020

	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Other Adjustments	Statement of Activities
OTHER FINANCING SOURCES (USES)					
Bond and Note Proceeds	-	-	-	-	-
Increase in Obligations Under Capital Leases	-	-	-	-	-
Sale of Capital Assets	86,056.96	(86,056.96)	-	-	-
Insurance Recoveries	-	-	-	-	-
Transfer In	15,134,706.47	-	-	-	15,134,706.47
Transfer Out	(22,305,192.91)	-	-	-	(22,305,192.91)
Legislative Transfer In	-	-	-	-	-
Legislative Transfer Out	-	(6,348.17)	-	-	(6,348.17)
Gain (Loss) on Sale of Capital Assets	-	(31,914.11)	-	-	(31,914.11)
Inc (Dec) in Net Position Due to Interagency Transfers	-	(379,711.92)	-	-	(379,711.92)
Total Other Financing Sources (Uses)	(7,084,429.48)	(504,031.16)	-	-	(7,588,460.64)
Net Change in Fund Balances/Net Position	7,418,760.93	-	-	-	6,554,809.85
Fund Financial Statement - Fund Balances					
Fund Balances, September 1, 2019	48,759,521.92	-	-	-	48,759,521.92
Restatements	-	-	-	-	-
Fund Balances, September 1, 2019, as Restated	48,759,521.92	-	-	-	48,759,521.92
Appropriations Lapsed	(8,952,556.89)	-	-	-	(8,952,556.89)
Fund Balances, August 31, 2020	\$ 47,225,725.96				\$ 46,361,774.88
Government-Wide Statement of Net Position					
Net Position/Net Change in Net Position		(511,653.46)	(370,236.48)	17,938.86	-
Net Position, September 1, 2019		7,985,851.42	(4,058,602.14)	2,420.14	3,929,669.42
Restatements		(215.82)	-	-	-
Net Position, September 1, 2019, as Restated		7,985,635.60	(4,058,602.14)	2,420.14	3,929,453.60
Net Position, August 31, 2020	\$ -	\$ 7,473,982.14	\$ (4,428,838.62)	\$ 20,359.00	\$ 50,291,228.48

TEXAS DEPARTMENT OF AGRICULTURE
Exhibit VI — Combined Statement of Fiduciary Net Position
August 31, 2020

	Private-Purpose Trust Funds (Exhibit I-1)	Agency Funds (Exhibit J-1)	Totals
ASSETS			
Cash and Cash Equivalents: (Note 3)			
Cash on Hand	\$ -	-	\$ -
Cash in Bank	-	-	-
Cash in Transit/Reimburse from Treasury	-	-	-
Cash in State Treasury	-	\$ 4,611.00	4,611.00
Cash Equivalents	-	-	-
Securities Lending Collateral	-	-	-
Short Term Investments: (Note 3)			
U.S. Government Agency Obligations	-	-	-
Corporate Equity	-	-	-
Corporate Obligations	-	-	-
Repurchase Agreements	-	-	-
Foreign Securities	-	-	-
Derivative Instruments	-	-	-
Externally Managed Investments	-	-	-
Other Short Term Investments	-	-	-
Restricted:			
Cash and Cash Equivalents: (Note 3)			
Cash on Hand	-	-	-
Cash in Bank	-	-	-
Cash in Transit/Reimburse from Treasury	-	-	-
Cash in State Treasury	-	-	-
Cash Equivalents	-	-	-
Short Term Investments: (Note 3)			
U.S. Government Agency Obligations	-	-	-
Corporate Equity	-	-	-
Corporate Obligations	-	-	-
Repurchase Agreements	-	-	-
Foreign Securities	-	-	-
Externally Managed Investments	-	-	-
Other Restricted Short Term Investments	-	-	-
Legislative Appropriations	-	(37.00)	(37.00)
Investments: (Note 3)			
U.S. Government Agency Obligations	-	-	-
Corporate Equity	-	-	-
Corporate Obligations	-	-	-
Repurchase Agreements	-	-	-
Foreign Securities	-	-	-
Externally Managed Investments	-	-	-
Other Investments	-	-	-
Receivables:			
Federal	-	-	-
Other Intergovernmental	-	-	-
Interest and Dividends	-	-	-
Accounts Receivable	-	-	-
Investment Trades	-	-	-
Taxes	-	-	-
Other	-	-	-
Interfund Receivables (Note 12)	-	-	-
Due From Other Funds (Note 12)	-	-	-
Due From Other Agencies (Note 12)	-	-	-
Consumable Inventories	-	-	-
Merchandise Inventories	-	-	-
Prepaid Items	-	-	-
Loans and Contracts	-	-	-
Properties, at Cost, net of Accumulated Depreciation or Amortization	-	-	-
Other Assets	-	-	-
Total Assets	-	4,574.00	4,574.00
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources (Note 28)	-	-	-
Total Deferred Outflows of Resources	\$ -	\$ -	\$ -

TEXAS DEPARTMENT OF AGRICULTURE
Exhibit VI — Combined Statement of Fiduciary Net Position
August 31, 2020

	Private-Purpose Trust Funds (Exhibit I-1)	Agency Funds (Exhibit J-1)	Totals
LIABILITIES			
Payables:			
Accounts	\$ -	\$ -	-
Benefits	-	-	-
Investment Trades	-	-	-
Payroll	-	-	-
Other Intergovernmental	-	-	-
Interest	-	-	-
Annuities	-	-	-
Other	-	-	-
Interfund Payable (Note 12)	-	-	-
Due To Other Funds (Note 12)	-	-	-
Due To Other Agencies (Note 12)	-	-	-
Unearned Revenues	-	-	-
Notes and Loans Payable (Note 5)	-	-	-
Revenue Bonds Payable (Note 5)	-	-	-
General Obligation Bonds Payable (Note 5,6)	-	-	-
Claims and Judgments (Note 5)	-	-	-
Employees' Compensable Leave (Note 5)	-	-	-
Capital Lease Obligations (Note 5, 8)	-	-	-
Liabilities Payable from Restricted Assets	-	-	-
Obligations/Reverse Purchase Agreement	-	-	-
Obligations/Securities Lending	-	-	-
Funds Held For Others	1,837,655.36	4,574.00	1,842,229.36
Other Liabilities	-	-	-
Total Liabilities	<u>1,837,655.36</u>	<u>4,574.00</u>	<u>1,842,229.36</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources (Note 28)	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Held in Trust For:			
Pension and Other Purposes	-	-	-
Pool Participants	-	-	-
Individuals, Organizations, and Other Governments	-	-	-
Total Net Position	<u>\$ (1,837,655.36)</u>	<u>\$ -</u>	<u>\$ (1,837,655.36)</u>

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

TEXAS DEPARTMENT OF AGRICULTURE
Exhibit VII — Combined Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended August 31, 2020

	Private-Purpose Trust Funds (Exhibit I-2)	Totals
ADDITIONS		
Contributions:		
Member Contributions	\$ -	\$ -
State Contributions	-	-
Transfers In of Contributions	-	-
Premium Contributions	-	-
Federal Contributions	-	-
Other Contributions	-	-
Total Contributions	-	-
Investment Income:		
From Investing Activities:		
Net Increase (Decrease) in Fair Value of Investments	-	-
Interest, Dividend and Other	-	-
Total Investing Income (Loss)	-	-
Less Investing Activities Expense	-	-
Net Income from Investing Activities	-	-
From Securities Lending Activities:		
Securities Lending Income	-	-
Less Securities Lending Expense:		
Borrower Rebates	-	-
Management Fees	-	-
Net Income from Securities Lending Activities	-	-
Total Net Investment Income (Loss)	-	-
Capital Share and Individual Account Transactions:		
Net Increase/Decrease in Participant Investments	-	-
Net Capital Share and Individual Account Transactions	-	-
Other Additions:		
Contributions to Employee Benefit Funds	-	-
Federal Revenue	-	-
Settlement of Claims	-	-
Other Revenue	-	-
Transfers In	-	-
Gain/Loss on Sale of Capital Assets	-	-
Gain/Loss on Impairment of Capital Assets	-	-
Increase Net Assets-Interagency Transfer of Capital Assets	-	-
Gain/Loss on Other Financing Activity	-	-
Extraordinary Items	-	-
Total Other Additions	-	-
Total Additions	-	-

TEXAS DEPARTMENT OF AGRICULTURE
Exhibit VII — Combined Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended August 31, 2020

	Private-Purpose Trust Funds (Exhibit I-2)	Totals
DEDUCTIONS		
Benefits	-	-
Transfers Out of Contributions	-	-
Refunds of Contributions	-	-
Salaries and Wages	-	-
Payroll Related Costs	-	-
Professional Fees and Services	-	-
Travel	-	-
Printing and Reproduction	-	-
Depreciation and Amortization Expense	-	-
Settlement of Claims	-	-
Interest Expense	-	-
Decrease Net-Assets-Interagency Transfer of Capital Assets	-	-
Other Expense	-	-
Transfers Out	-	-
Intergovernmental Payments	-	-
Total Deductions	-	-
INCREASE (DECREASE) IN NET POSITION		
	-	-
NET POSITION		
Net Position, September 1, 2019	1,837,655.36	1,837,655.36
Restatements	-	-
Net Position, September 1, 2019, as Restated	1,837,655.36	1,837,655.36
Net Position, August 31, 2020	<u>\$ 1,837,655.36</u>	<u>\$ 1,837,655.36</u>

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

TEXAS DEPARTMENT OF AGRICULTURE
Exhibit VIII — Combined Statement of Net Position —
Discretely Presented Component Units
August 31, 2020

	Component Units (Exhibit K-1)
ASSETS	
Current Assets:	
Cash and Cash Equivalents (Note 3)	
Cash on Hand	\$ 1,900.00
Cash in Bank	88,512,757.00
Cash in Transit	-
Cash Equivalents	17,599,608.68
Securities Lending Collateral	-
Short Term Investments (Note 3)	-
Restricted:	
Cash and Cash Equivalents (Note 3)	
Cash on Hand	-
Cash in Bank	13,378,952.00
Cash in Transit	-
Cash Equivalents	-
Short Term Investments (Note 3)	-
Receivables from:	
Federal	-
Other Intergovernmental	5,133,453.00
Interest and Dividends	46,184.33
Accounts Receivable	484,655.00
Taxes	-
Gifts, Pledges and Donations	-
Other	-
Interfund Receivables (Note 12)	-
Due From Other Funds (Note 12)	-
Due From Primary Government (Note 12)	-
Due From Component Unit	-
Consumable Inventories	3,713,253.00
Merchandise Inventories	-
Prepaid Items	2,200,224.00
Loans and Contracts	140,000.00
Other Current Assets	<u>3,625.26</u>
Total Current Assets	<u>131,214,612.27</u>
Non-Current Assets:	
Restricted:	
Cash and Cash Equivalents (Note 3)	
Cash on Hand	-
Cash in Bank	-
Cash in Transit	-
Cash Equivalents	-
Short Term Investments (Note 3)	-
Receivables	-
Investments (Note 3)	645,185.00
Loans and Contracts	-
Other Assets	-
Loans and Contracts	1,312,000.00
Investments (Note 3)	-
Interfund Receivables (Note 12)	-
Capital Assets (Note 2):	
Non Depreciated or Amortized	-
Depreciable and Amortizable, Net	2,873,919.00
Other Non-Current Assets	<u>3,509,340.00</u>
Total Non-Current Assets	<u>8,340,444.00</u>
Total Assets	<u>139,555,056.27</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows of Resources	-
Total Deferred Outflows of Resources	<u>-</u>

TEXAS DEPARTMENT OF AGRICULTURE
Exhibit VIII — Combined Statement of Net Position —
Discretely Presented Component Units
August 31, 2020

	Component Units (Exhibit K-1)
LIABILITIES	
Current Liabilities:	
Payables from:	
Accounts	2,359,003.26
Federal	-
Other Intergovernmental	-
Payroll	314,320.32
Contracts	-
Other	-
Interfund Payable (Note 12)	-
Due To Other Funds (Note 12)	-
Due To Primary Government (Note 12)	-
Unearned Revenue	-
Short Term Debt	-
Notes and Loans Payable (Note 5)	1,852,298.00
Revenue Bonds Payable (Note 5, 6)	-
General Obligation Bonds Payable (Note 5, 6)	-
Claims and Judgments (Note 5)	-
Employees' Compensable Leave (Note 5)	734,376.58
Capital Lease Obligations (Note 5, 8)	-
Contract Retainage Payable	-
Liabilities Payable from Restricted Assets	-
Obligations/Reverse Repurchase Agreement	-
Obligations Under Securities Lending	-
Funds Held For Others	-
Total Current Liabilities	<u>5,259,998.16</u>
Non-Current Liabilities	
Interfund Payable	-
Employees' Compensable Leave	-
Claims and Judgments	-
Capital Lease Obligations	-
Notes and Loans Payable	-
Revenue Bonds Payable	-
General Obligation Bonds Payable	-
Liabilities Payable from Restricted Assets	-
Assets Held for Others	-
Other Non-Current Liabilities	645,185.00
Total Non-Current Liabilities	<u>645,185.00</u>
Total Liabilities	<u>5,905,183.16</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows of Resources	-
Total Deferred Inflows of Resources	<u>-</u>
NET POSITION	
Invested in Capital Assets, Net of Related Debt	2,873,919.00
Restricted For:	
Debt Retirement	-
Capital Projects	-
Funds Held as Permanent Investments:	
Expendable	-
Nonexpendable	-
Other	13,378,952.00
Unrestricted	117,397,002.11
Total Net Position	<u>\$ 133,649,873.11</u>

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

TEXAS DEPARTMENT OF AGRICULTURE
Exhibit IX - Combined Statement of Revenues, Expenses and Changes
in Net Position - Discretely Presented Component Units
For the Fiscal Year Ended August 31, 2020

	<u>Total Component Unit (Exhibit K-2)</u>
OPERATING REVENUES	
Sales of Goods and Services	\$ -
Tuition Revenue	-
Professional Fees	-
Auxiliary Enterprises	-
Unemployment Taxes	-
Other Sales of Goods and Services - Pledged (PR)	-
Other Sales of Goods and Services - Non-Pledged (PR)	595,435.00
Other Sales of Goods and Services - Discounts and Allowances	-
Premium Revenue (PR - Charges for Services)	-
Interest and Investment Income (GR)	-
Net Increase (Decrease) in Fair Value (GR)	-
Federal Revenue (PR - OP Grants/Contributions)	5,500,000.00
Federal Grant Pass-Through Revenue (PR - OP Grants/Contributions)	-
State Grant Revenue (PR - OP Grants/Contributions)	5,495,566.00
State Grant Pass-Through Revenue (PR - OP Grants/Contributions)	-
Other Contract and Grants (PR - OP Grants/Contributions)	-
Land Income (PR - Charges for Services)	-
Contributions to Retirement System (PR)	-
Other Operating Revenue (GR)	12,225,870.80
Total Operating Revenues	<u>23,816,871.80</u>
OPERATING EXPENSES:	
Cost of Goods Sold	-
Salaries and Wages	11,070,106.73
Payroll Related Costs	168,751.73
Professional Fees and Services	547,473.26
Travel	181,935.43
Materials and Supplies	8,402,767.63
Communication and Utilities	340,349.00
Repairs and Maintenance	518,050.97
Rentals and Leases	436,092.00
Printing and Reproduction	31.00
Federal Grant Pass-Through Expense	-
State Grant Pass-Through Expense	-
Depreciation and Amortization	1,052,057.00
Bad Debt Expense	93,144.00
Interest Expense	1.32
Scholarships	-
Lottery Prize Payments	-
Employee/Participation Benefit Payments	-
Claims and Judgments	-
Other Expenses	7,804,775.94
Total Operating Expenses	<u>30,615,536.01</u>
Operating Income (Loss)	<u>(6,798,664.21)</u>

TEXAS DEPARTMENT OF AGRICULTURE
Exhibit IX - Combined Statement of Revenues, Expenses and Changes
in Net Position - Discretely Presented Component Units
For the Fiscal Year Ended August 31, 2020

	Total Component Unit (Exhibit K-2)
NONOPERATING REVENUE (EXPENSES)	
Federal Revenue (PR - Grants/Contributions)	-
Federal Grant Pass-Through Revenue (PR - Grants/Contributions)	-
State Grant Pass-Through Revenue (PR - Grants/Contributions)	-
Gifts, Pledges and Donations (PR - Grants/Contributions)	-
Investment Income (Expense) (GR)	1,900,365.55
Loan Prem/Fees Securities	-
Investing Activities Expenses	-
Interest Expenses and Fiscal Charges	-
Borrow Rebates & Agent Fees	-
Gain (Loss) on Sale of Capital Assets	118,690.00
Inc (Dec) in Net Assets Due to Interagency Transfer of CA	-
Net Increase (Decrease) in Fair Value (GR)	-
Settlement of Claims	-
Other Nonoperating Revenues (Expenses)	-
Total Other Nonoperating Revenues (Expenses)	<u>2,019,055.55</u>
Income (Loss) Before Capital Contributions, Endowments and Transfers	<u>(4,779,608.66)</u>
CAPITAL CONTRIBUTIONS, ENDOWMENTS AND TRANSFERS	
Capital Contributions	-
Special Items	-
Extraordinary Items	-
Transfer In	-
Transfer Out	-
Total Capital Contributions, Endowments and Transfers	<u>-</u>
Change in Net Position	<u>(4,779,608.66)</u>
Net Position, September 1, 2018	138,429,481.77
Restatements	-
Net Position, September 1, 2018, as Restated	<u>138,429,481.77</u>
Net Position, August 31, 2019	<u>\$ 133,649,873.11</u>

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

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NOTES TO FINANCIAL STATEMENTS

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Entity

The Texas Department of Agriculture (TDA) is an agency of the State of Texas, and its financial records comply with state statutes and regulations. This includes compliance with the Texas Comptroller of Public Accounts Reporting Requirements for state agencies.

The department operates under the authority of the Texas Agriculture Code Annotated (Vernon Supplemented, 1996). The functions of the department are to:

- 1) broaden agricultural markets;
- 2) provide assistance to Texans engaged in farm and ranch production;
- 3) encourage the organization of agricultural societies and farmer institutes;
- 4) aid and advance agriculture in Texas;
- 5) collect and publish statistics and other information;
- 6) investigate disease and insects injurious to crops;
- 7) protect consumers;
- 8) assist Texas communities and business people in expanding the rural Texas economy;
- 9) ensure that all children in Texas have excellent nutrition; and
- 10) execute all applicable laws relating to agriculture.

Due to the significant changes related to 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 be in compliance with generally accepted accounting principles (GAAP). 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 statement and related information contained in this report.

Fund Structure

The accompanying financial statements are presented on the basis of funds, each of which is considered a separate accounting.

Governmental Fund Types & Government-Wide Adjustment Fund Types

General Fund

The General Fund is the primary operating fund used to account for most of the state’s general activities. It accounts for all financial resources except those accounted for in other funds. The General Fund includes General Revenue Fund appropriations, federal grant funds and appropriated monies collected for activities promoting the sale of Texas agricultural products (GR Dedicated Fund 5051).

Special Revenue Fund

Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term “proceeds of specific revenue sources” establishes that one or more specific restricted or committed revenue source is the foundation for a special revenue fund.

The Produce Recovery Fund (0974) collects fees from license holders and fines imposed on license holders. The Produce Recovery Fund reimburses produce growers and dealers who do not receive payment for Texas-grown commodities sold on consignment or credit.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Permanent Funds

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 programs.

The Permanent Endowment Fund – Rural Communities Health Care Investment Program (0364) is a special fund in the treasury outside of general revenue created from the receipts collected pursuant to the comprehensive Tobacco Settlement Agreement and available earnings from the Account. The fund is used for the rural communities' health care investment program to provide stipends and loan reimbursements for health professionals.

The Permanent Fund for Rural Health Facility Capital Improvement (5047) is used to record receipt of money transferred to TDA from the receipts collected pursuant to the comprehensive Tobacco Settlement Agreement and the available earnings from the account. The fund is used for grants and loans to improve hospital infrastructures.

Capital Assets Adjustment Fund Type

The capital assets adjustment fund is used to convert governmental fund types' capital assets from modified accrual to full accrual.

Long-Term Liabilities Adjustment Fund Type

The long-term liabilities adjustment fund is used to convert governmental fund types' debt from modified accrual to full accrual.

Fiduciary Fund Types

Fiduciary funds account for assets held by the state in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. When assets are held under the terms of a formal trust agreement, either a pension trust fund or a private purpose trust fund is used.

Agency Funds

Agency funds are used to account for assets the government holds on behalf of others in a purely custodial capacity. Agency funds involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations or other governments. The Unappropriated Fund (0001), Suspense Fund (0900), Child Support deductions Fund (0807), City, County, MTA, SPD Sales Tax Trust Fund (0882), Direct Deposit Correction Account Fund (0980), and SPA/Fixed Asset Fund (1000) comprise the Agency Funds.

Component Units

The fund types of the individual discrete component units are available from the component units' separately issued financial statements. Additional information about component units can be found in Note 19.

Proprietary Component Units are used to account for the discretely presented component units, which follow proprietary fund measurement focus and accounting principles. Component Unit 1, the Texas Agricultural Finance Authority (TAFA), operates the Texas Agricultural Fund (0683) as a Proprietary Component Unit of TDA. Component Unit 2, the Texas Boll Weevil Eradication Foundation, Inc. (TBWEF) operates from local funds as a Proprietary Component Unit of TDA. Financial data for these two Component units are included in *Exhibits VIII and IX*.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 method basis of accounting. Under the modified accrual, 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 basis of accrual. Expenditures and other uses of financial resources are recognized when the related liability is incurred.

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

Proprietary funds and private-purpose trust funds are accounted for on the accrual basis of accounting. Under the 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.

Budget and Budgetary Accounting

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

Assets, Liabilities, and Fund Balances/Net Assets

Assets

Cash and Cash Equivalents

Short-term highly liquid investments with an original maturity of three-months or less are considered cash equivalents.

Securities Lending Collateral

Investments are stated at fair value in all funds except pension trust funds in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. For pension trust funds, investments are required to be reported at fair value using the accrual basis of accounting in accordance with GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*.

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 as gross.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Assets

Restricted assets include monies or other resources restricted by legal or contractual requirements. These assets include proceeds of enterprise fund general obligation and revenue bonds and revenues reserved for statutory or contractual requirements. Assets held in reserve for guaranteed student loan defaults are also included.

Inventories and Prepaid Items

Inventories include both merchandise inventories on hand for sale and consumable inventories. Inventories are valued at cost, generally utilizing the last-in, first-out method. Inventories for governmental fund types are the consumption method of accounting. The consumption method of accounting is used to account for inventories that appear in the proprietary fund types and the government-wide statements. The cost of these items is expensed when the items are consumed.

Capital Assets

Assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year should be capitalized. These assets are capitalized at cost or at appraised fair value as of the date of acquisition. Purchases of assets by governmental funds are reported as expenditures. Depreciation is reported on all "exhaustible" assets. "Inexhaustible" assets such as works of art and historical treasures are not depreciated. Road and highway infrastructure is reported on the modified basis. Assets are depreciated over the estimated useful life of the asset using the straight-line method.

All capital assets acquired by proprietary funds or trust funds are reported at cost or estimated historical cost if actual historical cost is not available. Donated assets are reported at fair value on the acquisition dated. Depreciation is charged to operations over the estimated useful life of each asset using the straight-line method.

Other Receivables – Current and Noncurrent

Other receivables include year-end revenue accruals not included in any other receivable category. This account can appear in governmental and proprietary fund types. 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

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

Other Payables – Current and Noncurrent

Other payables are the accrual at year-end of expenditure transactions not included in any of the other payable descriptions. Other payables may be included in either the governmental or proprietary fund types.

Employees' Compensable Leave Balances

Employees' compensable leave balances represent 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 assets. These obligations are normally paid from the same funding source from which each employee's salary or wage compensation was paid.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Lease Obligations

Capital Lease Obligations represent the liability for future lease payments under capital lease contracts contingent upon the appropriation of funding by the Legislature. Liabilities are reported separately as either current or non-current in the statement of net assets.

Bonds Payable – General Obligation Bonds

General obligation bonds are accounted for in the long-term liabilities adjustment column for governmental activities and in proprietary funds for business-type activities. These payables are reported as long-term liabilities (current for amounts due within one year) and long-term liabilities (noncurrent for amounts due thereafter in the statement of net assets/balance sheet). The bonds are reported at par, net of unamortized premiums, discounts, issuance costs and gains/(losses) on bond refunding activities.

For governmental activities, bond proceeds are accounted for (when received) as an “other financing source” in the governmental fund receiving the proceeds. Payment of principal and interest is an expenditure recorded in the debt service fund. All bond transactions and balances for business-type activities are reported in proprietary funds.

Other Liabilities

Texas Boll Weevil Eradication Fund (Component Unit) has other liabilities relating to deferred compensation that is disclosed in Note 10.

Fund Balance/Net Assets

The difference between fund assets and liabilities is “Net Assets” on the government-wide proprietary and fiduciary fund statements, and the “Fund Balance” is the difference between fund assets and liabilities on the governmental fund statements.

Fund Balance Components – The fund balance amounts for governmental funds were reclassified in accordance with GASB 54. Amounts previously reported as reserved and unreserved are now reported as non-spendable, restricted, committed, assigned or unassigned.

Non-spendable Fund Balance

Non-spendable fund balance includes amounts not available to be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.

Restricted Fund Balance

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

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assigned Fund Balance

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 (1) the Texas Legislature or (2) a body (for example, a budget or finance committee) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance

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

Inter-fund Activities and Balances

The agency has the following types of transactions among funds:

- 1) Transfers: legally required transfers that are reported when incurred as "Transfers In" by the recipient fund and as "Transfers Out" by the disbursing fund.
- 2) Reimbursements: Reimbursements are repayments from funds responsible for expenditures or expenses to funds that made the actual payment. Reimbursements of expenditures made by one fund for another are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund. Reimbursements are not displayed in the financial statements.
- 3) Inter-fund Receivables and Payables: Inter-fund loans are reported as inter-fund receivables and payables. If repayment is due during the current year or soon thereafter it is classified as "Current." Balances for repayment due in two (or more) years are classified as "Non-current."
- 4) Inter-fund Sales and Purchases: Charges or collections for services rendered by one fund to another are recorded as revenue of the recipient fund and expenditures or expenses of the disbursing fund.

The composition of the agency's Inter-fund activities and balances are presented in Note 12.

NOTE 2:	CAPITAL ASSETS
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A summary of changes in Capital Assets in Governmental Funds for the year ended August 31, 2020 is presented below:

GOVERNMENTAL ACTIVITIES								
	Balance 9/1/2019	Adjustment s	Completed CIP	Inc-Int'agy Trans	Dec-Int'agy Trans	Additions	Deletions	Balance 8/31/2020
GOVERNMENTAL ACTIVITIES								
Non-depreciable Assets								
BC Land and Land Improvements	123,807.50	-	-	-	-	100,000.00	-	223,807.50
BC Construction in Progress	1,929,000.00	-	-	-	-	-	-	1,929,000.00
Total Non-depreciable/Non-	2,052,807.50	-	-	-	-	100,000.00	-	2,152,807.50
Depreciable Assets								
BC Building and Building	4,011,571.32	-	-	-	-	-	(200,224.90)	3,811,346.42
BC Furniture and Equipment	5,071,140.80	-	-	-	(1,140,295.03)	160,057.94	(89,449.43)	4,001,454.28
BC Vehicles, Boats, and Aircraft	6,074,698.59	(215.82)	-	-	(413,959.72)	548,564.27	(246,981.95)	5,962,105.37
BC Other Capital Assets	-	-	-	-	-	-	-	-
Total Depreciable Assets	15,157,410.71	(215.82)	-	-	(1,554,254.75)	708,622.21	(536,656.28)	13,774,906.07
Accumulated Depreciation								
BC A/D Buildings and	(2,439,053.97)	-	-	-	-	(84,762.23)	103,032.15	(2,420,784.05)
BC A/D Furniture and Equipment	(3,511,010.51)	-	-	-	844,033.82	(377,933.53)	87,756.03	(2,957,154.19)
BC A/D Vehicles, Boats, and	(3,274,302.31)	-	-	-	323,509.01	(664,246.26)	228,548.86	(3,386,490.70)
BC A/D Other Capital Assets	-	-	-	-	-	-	-	-
Total Accumulated Depreciation	(9,224,366.79)	-	-	-	1,167,542.83	(1,126,942.02)	419,337.04	(8,764,428.94)
Amortizable Assets-Intangible								
BC Computer Software	1,684,382.78	-	-	-	-	327,050.00	-	2,011,432.78
BC Other Capital Intangible Assets	-	-	-	-	-	-	-	-
Total Amortizable Assets-	1,684,382.78	-	-	-	-	327,050.00	-	2,011,432.78
Accumulated Amortization								
BC A/A Computer Software	(1,684,382.78)	-	-	-	-	(16,352.49)	-	(1,700,735.27)
BC A/A Other Intangible Capital Assets	-	-	-	-	-	-	-	-
Total Accumulated Amortization	(1,684,382.78)	-	-	-	-	(16,352.49)	-	(1,700,735.27)
Total Governmental Activities	7,985,851.42	(215.82)	-	-	(386,711.92)	(7,622.30)	(117,319.24)	7,473,982.14

NOTE 2: CAPITAL ASSETS (CONTINUED)

A summary of changes in Capital Assets in Proprietary Funds for the year ended August 31, 2020 is presented below:

COMPONENT UNITS/PROPRIETARY FUND (9999)								
	Balance 09/01/2019	Adjustment s	Completed CIP	Inc-Int'gy Trans	Dec-Int'gy Trans	Additions	Deletions	Balance 8/31/2020
COMPONENT UNITS								
Non-depreciable Assets								
Land and Land Improvements	-	-	-	-	-	-	-	-
Construction in Progress	-	-	-	-	-	-	-	-
Other Intangible Capital Assets	-	-	-	-	-	-	-	-
Total Non-depreciable/Non-	-	-	-	-	-	-	-	-
Depreciable Assets								
Building and Building Infrastructure	-	-	-	-	-	-	-	-
Facilities and Other Improvements	413,832.00	-	-	-	-	-	-	413,832.00
Furniture and Equipment	510,383.00	-	-	-	-	-	-	510,383.00
Vehicles, Boats, and Aircraft	6,488,368.00	-	-	-	-	1,874,900.00	(1,261,617.00)	7,101,651.00
Other Capital Assets	-	-	-	-	-	-	-	-
Total Depreciated Assets	7,412,583.00	-	-	-	-	1,874,900.00	(1,261,617.00)	8,025,866.00
Accumulated Depreciation								
A/D Buildings and Improvements	-	-	-	-	-	-	-	-
A/D Infrastructure	-	-	-	-	-	-	-	-
A/D Facilities and Other	(404,399.00)	-	-	-	-	(3,132.00)	-	(407,531.00)
A/D Furniture and Equipment	(468,958.00)	-	-	-	-	(14,073.00)	-	(483,031.00)
A/D Vehicles, Boats, and Aircraft	(3,920,337.00)	-	-	-	-	(1,034,852.00)	693,804.00	(4,261,385.00)
A/D Other Capital Assets	-	-	-	-	-	-	-	-
Total Accumulated Depreciation	(4,793,694.00)	-	-	-	-	(1,052,057.00)	693,804.00	(5,151,947.00)
Total Component Unit Activities	2,618,889.00					822,843.00	(567,813.00)	2,873,919.00

NOTE 3: DEPOSITS, INVESTMENTS & REPURCHASE AGREEMENTS
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Deposits of Cash in Bank

As of August 31, 2020, the carrying amount of deposits was \$101,911,709.00 presented below:

Governmental and Business-Type Activities	
Cash in Bank – Carrying Value	\$20,000.00
Cash in Bank per AFR (See attached Exhibit A-1)	\$20,000.00

Discrete Component Unit	
Cash in Bank – Carrying Value	\$88,512,757.00
Cash in Bank per AFR (See attached Exhibit K-1)	\$88,512,757.00

Discrete Component Unit	
Cash in Bank – Restricted	\$13,378,952.00
Cash in Bank per AFR (See attached Exhibit K-1)	\$13,378,952.00

The Texas Department of Agriculture is authorized by statute to make investments listed in Chapter 2256 of the Texas Government Code following the “prudent person rule.” There were no significant violations of legal provisions during the period.

Investments

Component Unit Boll Weevil consists of restricted investments of money market accounts, mutual funds and stocks. The investment allocations are directed by the participants of the deferred compensation plan. As of August 31, 2020, the balance of these investments was \$645,185.00.

As of August 31, 2020, the fair values of investments in Permanent Fund are presented below:

<u>Types of Security</u>	<u>Fair Market Value</u>
Mutual Funds	31,997.82
Externally Managed Funds Domestic	3,428,009.31
Externally Managed Funds International	72,072.65
Repurchase Agreements (Texas Treas)	0.00
(Texas Treasury Safekeeping Trust Co.)	3,532,079.78

The \$3,532,079 in Fund 0364 represents that amount used to capitalize the Permanent Endowment Fund for the Rural Communities Healthcare Investment Program (RCHIP). These invested funds are held on behalf of the Texas Department Agriculture by the Texas Treasury Safekeeping Trust Co.

NOTE 3: DEPOSITS, INVESTMENTS & REPURCHASE AGREEMENTS (CONTINUED)

Foreign Currency Risk for investments is the risk that changes in exchange rates will adversely affect the investment. The agency's policy is to limit investments subject to foreign currency risk to 5 percent of total investments. The exposure to foreign currency risk as of August 31, 2020 is as follows:

<u>Fund Type</u>	<u>GAAP Fund</u>	<u>Foreign Currency</u>	<u>Intl Ext Managed Investments</u>
19	0364	Euro	\$72,072.65

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The general investment policy of the agency limits investments in debt securities that are not in the top three investment grade ratings issued by nationally recognized statistical rating organizations to 5 percent of total investments. As of August 31, 2020, the agency's credit quality distribution for securities with credit risk exposure is as follows:

Standard & Poor's

<u>Fund Type</u>	<u>GAAP Fund</u>	<u>Investment Type</u>	<u>AAA</u>
19	0364	Extl Managed Funds Domestic	\$340,996.44

Unrated

<u>Fund Type</u>	<u>GAAP Fund</u>	<u>Fair Value of Debt Security Not Subject to Investment Credit Risk</u>	<u></u>
19	0364	Fair Value of Debt Security Not Subject to Investment Credit Risk	\$3,191,083.34

NOTE 4: SHORT-TERM DEBT

This note is not applicable to the Texas Department of Agriculture.

NOTE 5: LONG-TERM LIABILITIES

Changes in Long-Term Liabilities

During the year ended August 31, 2020 the following changes occurred in liabilities:

Governmental Activities	Balance 9/1/2019	Additions	Reductions	Balance 8/31/2020	Amounts Due Within One Year
Employees' Compensable Leave - Fund 0001	4,058,602.14	3,485,137.92	(3,114,901.44)	4,428,838.62	2,470,625.97
Total Governmental Activities	4,058,602.14	3,485,137.92	(3,114,901.44)	4,428,838.62	2,470,625.97

See Attached Exhibit I

The following changes occurred in proprietary fund liabilities for TDA's discrete component units, the Texas Agriculture Finance Authority (Fund 0683) and Texas Boll Weevil Eradication Foundation, Inc. (Fund 3152):

Component Units	Balance 9/1/2019	Additions	Reductions	Balance 8/31/2020	Amounts Due Within One Year
Notes and Loans Payable - Fund 3152	3,352,298.00	352,298.00	(1,852,298.00)	1,852,298.00	1,852,298.00
Employees' Compensable Leave - Funds 0683 and 3152	705,981.53	28,395.05		734,376.58	734,376.58
Total Component Unit Activities	4,058,279.53	380,693.05	(1,852,298.00)	2,586,674.58	2,586,674.58

See Attached Exhibit K-1

Notes payable consists of amounts to finance notes to eradication zones for programs in GAAP Fund 3152, the Texas Boll Weevil Eradication Foundation, Inc.

COMPONENT UNITS/PROPRIETARY FUNDS	
Notes Payable Debt Service	U/F Fund 5998
Principal Requirements	
2020 (Future Year 1)	1,852,298.00
2021 (Future Year 2)	
2022 (Future Year 3)	
2023 (Future Year 4)	
Total Requirements	1,852,298.00
Due with one Year	\$ 1,852,298.00

NOTE 5: LONG-TERM LIABILITIES (CONTINUED)
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The Texas Agriculture Finance Authority has issued commercial paper to provide funds for loans on agricultural activity. The commercial paper is refunded generally every 90 days, but it may range from 1-270 days throughout the year determined by the financial markets. TAFE incurred interest rates varying from 0.37% to 0.73%

Claims & Judgments

The department had no unpaid judgments at August 31, 2020. (See Note 15: Contingencies and Commitments).

Employees' Compensable Leave

If a state employee has had continuous employment with the state for at least six months, the 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. 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 Assets. An expense and liability for proprietary fund types are recorded in the proprietary funds as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. This obligation is usually paid from the same funding source(s) from which the employee's salary or wage compensation was paid.

NOTE 6: BONDED INDEBTEDNESS

This note is not applicable to the Texas Department of Agriculture.

NOTE 7: DERIVATIVE INSTRUMENTS

Derivative investments are managed by Texas Treasury Safekeeping Trust Company for the Rural Community Health Care Investment Program Fund 0364.

Derivatives are financial instruments whose value is derived, in whole or part, from the value of any one of more underlying securities or assets, or index of securities or assets, such as stocks, bonds, commodities, or currencies. The Endowment funds use derivatives as part of the portfolio hedging and overlays program. The objective of the program is to facilitate risk management and provide efficiency in the implementation of various investment strategies. Permitted applications of the portfolio hedging and overlays program are: to implement strategies in a low cost and efficient manner; to hedge and control risks; to alter the Endowment funds' market (systemic) exposure without trading the underlying cash market securities; to construct portfolios with risk and return characteristics that could not be created with cash market securities; or to facilitate transition trading.

NOTE 7: DERIVATIVE INSTRUMENTS (CONTINUED)

Through the use of derivatives, the risks that are bound together in traditional cash market investments can be separated and managed independently. The primary intent of the Endowment funds' investment in derivative instruments is to manage and implement investment strategies more effectively and at a lower cost than would be possible in the cash market. All of the Endowment funds' derivative instruments are considered investment derivatives and therefore are measured and reported at fair value.

The fair value, changes in fair value, and notional value of the Fund's derivatives investments, classified by derivative type, are displayed in the following table as of August 31, 2020.

Derivative Investments	Fair Value	Changes in Fair Value Gain/(Loss)	Notional Value \$
Futures			
Commodities Futures	\$ -		-
Equity Index Futures	-	-	-
Total Futures	-	-	-
Swaps			
Total Return Swap - Fixed Income	276.29	9,606.73	217,712.64
Total Return Swap - Equity	20,083.07	52,575.87	356,362.04
Total Swaps	20,359.36	62,182.61	574,074.68
Total Derivatives	20,359.36	62,182.61	574,074.68

Investment Derivative Instruments	8/31/2020	(Level 1)	(Level 2)	(Level 3)
Futures				
Swaps	20,359.36		20,359.36	
Total Investment Derivative Instruments	20,359.36	-	20,359.36	
<i>Fair Value Measurements:</i>				
Level 1 — Quoted Prices in Active Markets for Identical Assets				
Level 2 — Significant Observable Inputs				
Level 3 — Significant Unobservable Inputs				

NOTE 8: LEASES

Future minimum lease rental payments under non-cancelable operating leases having an initial term in excess of one year, for TDA are as follows:

Year Ended August 31, 2020	\$685,152.54	
2021 (Future Year) 1	\$712,558.64	
2022 (Future Year) 2	\$741,060.99	
2023 (Future Year) 3	\$770,703.43	
2024 (Future Year) 4	\$801,531.56	
2025 (Future Year) 5	\$833,592.83	
2026-30 (Future Years 6-10) - cumulative		\$4,695,607.94
2031-35 (Future Years 11-15) - cumulative		\$5,712,925.02
2036-40 (Future Years 16-20) - cumulative		\$6,950,646.81
2041-45 (Future Years 21-25) - cumulative		\$8,456,524.62
2046-50 (Future Years 26-30) - cumulative		\$10,288,655.22
Total Minimum Future Lease Rental Payments	\$4,544,599.99	\$36,104,359.61

The Boll Weevil Eradication Foundation has entered into several operating leases for office space and tower rentals for the various zones. The total amount of lease expense for these operating leases approximated \$436,092 for the year ended December 31, 2019. The following is a schedule by years of future minimum rental payments required under the operating leases that have initial or remaining noncancelable lease terms in excess of one year.

2020	\$144,109.00
Component Units-Total Minimum Future Lease Rental Payments	\$144,109.00

NOTE 9: PENSION PLANS

The state has joint contributory retirement plans for all its employees. The Texas Department of Agriculture participates in the plans administered by the Employees Retirement System of Texas (ERS). Future pension costs are the liability of the ERS. The ERS does not account for each state agency separately. Annual financial reports prepared by the ERS include audited financial statements and actuarial assumptions and conclusions.

NOTE 10: DEFERRED COMPENSATION

The State of Texas offers a deferred compensation plan to all state employees. This plan is in accordance with Internal Revenue Code Section 457 and permits employees to defer a portion of their salary until future years. The deferred compensation funds are not available to employees until distribution due to termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts, property or rights are held in trust by the Employees Retirement System (ERS) Board of Trustees for the exclusive benefit of participants and their beneficiaries and may not be used for, or diverted to, any other expense, except to defray the reasonable expenses of administering the plan.

The Board of Trustees is not liable to participating employees for the diminution in value or loss of all or part of the participating employees' deferred amounts or investment income because of market conditions or the failure, insolvency or bankruptcy of a qualified vendor.

The state also administers the TexaSaver program created in accordance with Internal Revenue Code Sections 401(k) and 457. However, the assets of these plans do not belong to the state. The state has no liability related to these plans.

Texas Boll Weevil Eradication Foundation Component Unit

Effective January 1, 2012, the Foundation adopted a 457(b) deferred compensation plan to provide an investment alternative for a select group of management and highly compensated employees who are restricted from fully participating in the Foundation's 401(k) plan due to IRS limitations. This plan is intended to constitute an "eligible deferred compensation plan" of a tax-exempt entity. During a plan year, the Foundation will contribute to each participant's account an amount equal to the lesser of 12% of includible compensation or the Annual Deferred Compensation Limit prescribed by law. In accordance with the plan, the Foundation holds the investments related to all employer contributions and participants are fully vested in these. The Foundation's contribution for the year ended December 31, 2019 was \$71,025 and the total balance was \$645,185 at December 31, 2019. This balance is included on the balance sheet as restricted investments with an offsetting liability.

NOTE 11: POST EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

This note is not applicable to the Texas Department of Agriculture.

NOTE 12: INTERFUND ACTIVITY AND TRANSACTIONS

As explained in Note 1 on Interfund Activities and Balances, there are numerous transactions between funds and agencies. At year-end, amounts to be received or paid are reported as Interfund Receivables or Interfund Payables, and Legislative Transfers-In or Legislative Transfers-Out.

The agency experienced routine transfers with other state agencies, which were consistent with the activities of the fund making the transfer.

DUE TO/DUE FROM		
	Due FROM Others	Due TO Others
Agency 300, Fund 2152		\$12,152.13
Agency 555, Fund 7999	\$1,575.52	\$81,170.29
Agency 556, Fund 7999		\$191,126.32
Agency 644, Fund 0240		\$392,863.62
Agency 713, Fund 7999		\$5,993.90
Agency 721, Fund 7999		\$12,723.89
Agency 730, Fund 7999		\$19,529.52
Agency 733, Fund 7999	\$730.88	\$1,663.11
Agency 751, Fund 7999		\$1,174.33
Agency 754, Fund 7999		\$746.53
Agency 802, Fund 0923	\$103,137.68	
Totals, Due To/Due From	\$105,444.08	\$719,143.64

Exhibit A-1

NOTE 13: CONTINUANCE SUBJECT TO REVIEW

Under the Texas Sunset Act, the Texas Department of Agriculture will be abolished effective September 1, 2021, unless continued in existence by legislation. If abolished, the agency may continue until September 1, 2022, to close out its operations.

While abolition of TDA would impact continued operations of TAFE, S.B. No. 11, 65th Leg., C.S. (1977) recognized the state's continuing obligation to pay bonded indebtedness incurred by the TAFE and provides for such bonded indebtedness to be paid in accordance with its terms.

NOTE 14: ADJUSTMENTS TO FUND BALANCES/NET ASSETS

During fiscal 2020, certain accounting changes and adjustments were made that required the restatement of fund balances or net position. The restatements are presented below.

	Capital Asset Adjustments
Change in Net Position Aug. 31, 2019	\$ 7,985,851.42
Current Year's Restatements	215.82
Change in Net Position Aug. 31, 2019 as Restated	\$ 7,986,067.24

The restatement of \$215.82 in the capital assets is due to the correction of accounting for a master lease purchase program asset.

NOTE 15: CONTINGENCIES AND COMMITMENTS

There are no cases pending as of August 31, 2020.

TAFAs previously provided direct loans to eligible rural municipal projects through the Rural Development Finance Program, purchases participations and provided loan guaranties through the Financial Assistance Program and the Young Farmers Loan Guarantee Program. While these programs no longer exist, they are remaining performing loans associated with the program. Total outstanding direct commitments, participations purchased and guaranties at August 31, 2020 was \$1,312,000.00.

NOTE 16: SUBSEQUENT EVENTS

This note is not applicable to the Texas Department of Agriculture.

NOTE 17: RISK MANAGEMENT

The Texas Department of Agriculture is exposed to a variety of civil claims resulting from the performance of its duties. It is the agency’s policy to periodically assess the proper combination of commercial insurance and retention of risk to cover losses to which it may be exposed.

The agency assumes substantially all risks associated with tort claims and liability claims due to the performance of its duties. The agency’s liabilities are reported when it is both probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Liabilities are re-evaluated periodically to consider current settlements, frequency of claims, past experience and economic factors.

The Department is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; efforts and omissions, and natural disasters. It is the Department’s policy to periodically assess the proper combination of commercial insurance and retention of risk to cover losses to which it may be exposed. The Department assumes substantially all risks associated with the performance of its duties.

Currently, there is no purchase of commercial insurance, nor is the Department involved in any risk-pools with other government entities. Thus, there were no significant reductions in insurance coverage in the past year and losses did not exceed funding arrangements during the past three years.

Note 17 Risk Management				
Claims and Judgements				
	Beginning Balance	Increases	Decreases	Ending Balance
2020	\$ -	\$14,896.00	(\$14,896.00)	\$ -
2019	\$ -	\$29,299.64	(\$29,299.64)	\$ -

NOTE 18: MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

Due to GASB 84, Texas Department of Agriculture has a material changes to the classification of GAAP Fund 0974, the Produce Recovery Fund. In previous fiscal years GAAP Fund 0974 was classified as a Private Purpose Trust Fund and in fiscal year 2020, it is classified as a Special Revenue Fund.

GAAP Fund 0974 consists of the payments of claims against license holders, retailer and handlers of perishable commodities and is administered by agency Texas Department of Agriculture (551) and the legal citations are the Texas Agriculture Code Sections 101.007, 101.020, 103.002, 103.011 and 103.013.

NOTE 19: THE FINANCIAL REPORTING ENTITY
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The Texas Department of Agriculture includes within this report all component units as determined by an analysis of their relationship to the department.

The Texas Agricultural Finance Authority, which was created within TDA, is discretely presented as a separate component unit in TDA 's financial statements. The Texas Boll Weevil Eradication Foundation, Inc. (a non-profit agency) is discretely presented as a separate component unit in TDA 's financial statements.

Blended Component Units

No component units have been identified which should have been blended into an appropriate fund.

Discrete Component Units

These component units are legally separate entities, but are financially accountable to the state or have a relationship with the state such that exclusion would cause the financial statements to be misleading or incomplete. The component unit columns of the financial statements include the financial data of these entities.

- Component Unit 1 is the Texas Agricultural Finance Authority (TAFA), created within the Texas Department of Agriculture. Nine board members including seven members being appointed by the Commissioner of the Texas Department of Agriculture govern TAFA. This Component Unit has the following funds: Young Farmer Fund 5002 which was converted from a governmental fund to a proprietary fund by the 81st Legislature and proprietary funds named Agriculture Fund 0683 and Farm and Ranch Fund 0575.
- Component Unit 2 is the Texas Boll Weevil Eradication Foundation, Inc. (TBWEF). Twenty-one board members, govern the TBWEF with five members appointed by the TDA Commissioner. In addition, TDA approves the TBWEF budget and assessment fees, and the Foundation cannot incur debt without TDA approval. This Component Unit has Fund 5998 and Appropriated Fund 9999. The fiscal year end for TBWEF is December 31, 2019, which is different from TDA's fiscal year end of August 31, 2020.

Related Parties

Relationship with Texas Cooperative Inspection Program

Texas statutes have provided for the inspection of fruits and vegetables since 1917, with the costs being borne by growers, shippers, and shippers' agents, rather than the state. Since 1935, the Texas Department of Agriculture has been authorized by state law to execute cooperative agreements with the United States Department of Agriculture (USDA), adopt federal grading standards as the Texas standard, and, since 1955, to execute cooperative agreements with USDA and any Texas firm, corporation or association which provides for the inspection of fruits, vegetables and other products.

In February of 1992, the department entered into a cooperative agreement with the USDA to conduct inspections of fruits and vegetables, effective May of 1992. Under this agreement, inspections are conducted through the Texas Cooperative Inspection Program (TCIP). TCIP is a self-supporting program, operating from fees levied on participants and without appropriations from either the federal or state governments. The cooperative agreement calls for the department to receive up to 15 percent of the inspection fees collected in order to cover the department's program and administrative costs in overseeing the day-to-day operation of TCIP.

NOTE 20: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY
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Unrestricted net assets of the Texas Agricultural Fund 0683 is \$17,789,418.27. To reduce the risk of future allowances, the authority board has made lending criteria more stringent and will strictly adhere to the established policies and procedures. H.B. 2050, 76th legislature and S.S. 716 and H.H. 3329, 77th Legislature, approved major improvements to the TAFE programs by allowing a larger pool of eligible borrowers to the financial assistance program. S.B. 1016, 81st Legislature, established the following set of self-sustaining TAFE programs: the Agriculture Loan Guarantee Program; the Agriculture Interest Rate Reduction Program (previously the Linked Deposit Program); the Young Farmer Interest Rate Reduction Program; and the Young Farmer Grant Program. All programs are funded by the Texas Agriculture Fund utilizing the farm vehicle tag fees.

NOTE 21: N/A

This note is not applicable to the Texas Department of Agriculture.

NOTE 22: DONOR-RESTRICTED ENDOWMENTS

This note is not applicable to the Texas Department of Agriculture.

NOTE 23: EXTRAORDINARY AND SPECIAL ITEMS

This note is not applicable to the Texas Department of Agriculture.

NOTE 24: DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

Receivables and Payables as of August 31, 2020 are detailed as follows:

Federal Receivables Program – Current	Amount
Government Fund Type:	
United States Department of Agriculture	\$95,606,752.48
Small Business Administration	\$160,722.77
Environmental Protection Agency	\$162,630.62
Food & Drug Administration	\$68,086.89
US Department of Health & Human Services	\$233,734.85
Total Federal Receivable (See Attached Exhibit A-1)	\$96,231,927.61

Accounts Receivable	Amount
Current:	
Component Unit (See Attached Exhibit K-1)	\$1,559,882.00
Total Current Assessment Receivable	\$1,559,882.00
Non-Current:	
Component Unit (See Attached Exhibit K-1)	\$0.00
Total Non-Current Assessment Receivable	\$0.00

Intergovernmental Receivable	Amount
Intergovernmental Receivable – Current	
Component Unit-Federal (See Attached Exhibit K-1)	\$0.00
Component Unit-Other (See Attached Exhibit K-1)	\$4,058,226.00
Total Intergovernmental Receivable	\$4,058,226.00

Other Payables – Component Unit – Current	Amount
Payroll Payable	\$314,320.32
Other Payable	\$0.00
Accounts Payable	\$2,359,003.26
Total Component Unit Other Liabilities (See Attached Exhibit K-1)	\$2,673,323.58

NOTE 25: TERMINATION BENEFITS

This note is not applicable to the Texas Department of Agriculture.

NOTE 26: SEGMENT INFORMATION

Proprietary segments of the Texas Department of Agriculture include the Texas Agricultural Finance Fund (0683) and the Texas Boll Weevil Eradication Foundation (5998). See Exhibits K-1 and K-2.

NOTE 27: SERVICE CONCESSION ARRANGEMENTS

This note is not applicable to the Texas Department of Agriculture.

NOTE 28: DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

In fiscal 2020, Texas Department of Agriculture reported deferred outflows of resources in connection with derivative instruments invested with Texas Treasury Safekeeping Trust Company.

Business-Type Activities	Deferred Outflows of Resources	Deferred Inflows of Resources
Derivatives (Note 7)	\$20,359.36	
Total	\$20,359.36	-

Deferred outflows of resources of \$20,359.36 in business-type activities were related to investment derivatives in a liability position.

NOTE 29: TROUBLE DEBT RESTRUCTURING

This note is not applicable to the Texas Department of Agriculture.

NOTE 30: NON-EXCHANGE FINANCIAL GUARANTEES
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TAFAs Agricultural Loan Guarantee Program provides for the following in regards to a maximum loan guarantee amount:

- \$250,000 or 90% of the loan amount, whichever is less
- \$500,000 or 80% of the loan amount, whichever is less *

The duration of a loan guarantee approved by TAFAs must not exceed the useful life of the assets being financed or 10 years, whichever is less. HB 2350, 84th Legislature, Regular Session; increased the amount that may be used to guarantee agricultural loans to three times the balance amount in the Texas agricultural fund. The TAFAs Board, at the June 15, 2007 meeting adopted a limit of one and a half times the cash balance.

TAFAs is under no obligation to purchase the guaranteed percentage of the outstanding principal balance of the Loan until Lender has exhausted all possible collection activities concerning the Loan, including, but not limited to, foreclosure of collateral, obtaining a monetary or other judgment against borrower enforcing the terms of the Loan, and taking commercially reasonable steps to enforce and collect such judgment. Once Lender has completed all possible collection activities concerning the Loan, and all repayment proceeds, including proceeds from the sale or liquidation of collateral, have been applied to the Loan, Lender may demand in writing that TAFAs purchase the guaranteed percentage of the outstanding principal balance of the Loan unless such amount is zero dollars or less. Lender must include in its demand its calculation of the outstanding principal balance of the Loan (showing a positive amount due by TAFAs), a transcript of the Loan account, and any other Loan records requested by TAFAs.

As of August 31, 2020 and 2019, respectively, TAFAs had \$11,578,228 and \$12,479,865 in outstanding loan guarantees related to agriculture producer or agriculture-related business loans with various commercial banking or Farm Credit System institutions. TAFAs does not currently anticipate and has not recognized any liabilities or payments related to the loans guaranteed under its Agricultural Loan Guarantee Program as of August 31, 2020 and 2019 and for the years then ended, respectively.

* *As of June 15, 2017, any new Agricultural Loan Guarantees approved by the Department may be eligible for a rebate of no more than \$500 annually, not to exceed the 1% origination fee over the term of the guarantee.*

NOTE 31: TAX ABATEMENTS

This note is not applicable to the Texas Department of Agriculture.

NOTE 32: FUND BALANCES

TDA has the following restrictions/covenants causing fund balances to be restricted:

GAAP Fund	Fund	AFR 54 Class	Amount	Citation	Comments
0001	0001	Restricted	\$8,261,523.07	Federal	Related to the Food and Nutrition Accounts Receivable for Federal Funds owed back
0001	0001	Assigned	\$20,000.00	Texas Govt Code Sec. 403.248	Cash in bank includes travel advance
0183	0183	Restricted	\$5,921,322.20	H.B. No. 2004 85 th Leg. R. S.	Texas Economic Development Fund
5091	5091	Restricted	\$1,308,557.35	Federal 42 C.F.R.	Community Development Block Grant Fund

COMBINED FINANCIAL STATEMENTS

TEXAS DEPARTMENT OF AGRICULTURE
Exhibit A-1 — Combining Balance Sheet — All General and Consolidated Funds
August 31, 2020

	General		Consolidated Accounts						Total
	Fund 1	Texas Economic Dev't Fund	Coronavirus Relief Fund	License Plate Trust Fund	Gov't Fund Type 1	Go Texas Program Fund	CDBG Fund	Hemp Production Account	
	U/F (0001)	U/F (0183)	U/F (0325)	U/F (0802)	U/F (0666)	U/F (5051)	U/F (5091)	U/F (5178)	
ASSETS									
Current Assets:									
Cash and Cash Equivalents									
Cash on Hand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash in Bank	20,000.00	-	-	-	-	-	-	-	20,000.00
Cash in Transit/Reimb from Treasury	-	-	-	-	-	-	-	-	-
Cash in State Treasury	218.68	5,932,907.97	13,187.66	-	1,083,689.96	80,676.52	6,255,114.14	358,101.94	13,723,896.87
Short Term Investments	-	-	-	-	-	-	-	-	-
Securities Lending Collateral	-	-	-	-	-	-	-	-	-
Legislative Appropriations	24,194,888.91	-	-	-	-	-	-	-	24,194,888.91
Receivables from:									
Accounts Receivable	8,268,304.71	-	-	-	-	-	-	-	8,268,304.71
Taxes	-	-	-	-	-	-	-	-	-
Federal	15,275,606.31	-	80,732,946.36	-	-	-	223,374.94	-	96,231,927.61
Investment Trades	-	-	-	-	-	-	-	-	-
Other Intergovernmental	-	-	-	-	-	-	-	-	-
Interest and Dividends	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-	-	-	-
Due From Other Agencies	105,444.07	-	-	-	-	-	-	-	105,444.07
Interfund Receivable	-	-	-	-	-	-	-	-	-
Consumable Inventories	118,956.68	-	-	-	-	-	-	-	118,956.68
Merchandise Inventories	273,307.72	-	-	-	-	-	-	-	273,307.72
Prepaid Items	-	-	-	-	-	-	-	-	-
Loans and Contracts	-	-	-	-	-	-	-	-	-
Restricted:									
Cash and Cash Equivalents									
Cash on Hand	-	-	-	-	-	-	-	-	-
Cash in Bank	-	-	-	-	-	-	-	-	-
Cash in Transit/Reimb from Treasury	-	-	-	-	-	-	-	-	-
Cash in State Treasury	-	-	-	-	-	-	-	-	-
Short Term Investments	-	-	-	-	-	-	-	-	-
Other Current Assets	-	-	-	-	-	-	-	-	-
Non-Current Assets:									
Gifts, Pledges and Donations									
Interfund Receivable	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-
Loans and Contracts	-	-	-	-	-	-	-	-	-
Restricted:									
Cash and Cash Equivalents									
Cash on Hand	-	-	-	-	-	-	-	-	-
Cash in Bank	-	-	-	-	-	-	-	-	-
Cash in Transit/Reimb from Treasury	-	-	-	-	-	-	-	-	-
Cash in State Treasury	-	-	-	-	-	-	-	-	-
Short Term Investments	-	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-
Loans and Contracts	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-
Other Non-Current Assets	-	-	-	-	-	-	-	-	-
Total Assets	\$ 48,256,727.08	\$ 5,932,907.97	\$ 80,746,134.02	\$ -	\$ 1,083,689.96	\$ 80,676.52	\$ 6,478,489.08	\$ 358,101.94	142,936,726.57
DEFERRED OUTFLOWS OF RESOURCES									
Deferred Outflows of Resources	-	-	-	-	-	-	-	-	-
Total Deferred Outflows of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TEXAS DEPARTMENT OF AGRICULTURE
Exhibit A-1 — Combining Balance Sheet — All General and Consolidated Funds
August 31, 2020

	General		Consolidated Accounts						Total
	Fund 1 (0001) U/F (0001)	Texas	Coronavirus	License	Gov't Fund	Go Texas	CDBG Fund	Hemp	
		Economic	Relief Fund	Plate Trust	Type 1	Program	(5091)	Production	
		Dev't Fund (0183) U/F (0183)	(0325) U/F (0325)	Fund (0802) U/F (0802)	(0900) U/F (0666)	Fund (5051) U/F (5051)	(5091) U/F (5091)	Account (5178) U/F (5178)	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities									
Current Liabilities:									
Payables from:									
Accounts	\$ (30,936,880.46)	\$ -	\$ 80,746,091.36	\$ -	\$ -	\$ 84,493.57	\$ (7,924.56)	\$ -	\$ 49,885,779.91
Investment Trade	-	-	-	-	-	-	-	-	-
Other Intergovernmental	-	-	-	-	-	-	-	-	-
Payroll	3,554,226.62	11,585.77	-	-	-	-	61,141.19	-	3,626,953.58
Federal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Contracts	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Contract Retainage Payable	-	-	-	-	-	-	-	-	-
Due To Other Funds	-	-	-	-	-	-	-	-	-
Due To Other Agencies	719,143.64	-	-	-	-	-	-	-	719,143.64
Due To Component Units	-	-	-	-	-	-	-	-	-
Interfund Payable	-	-	-	-	-	-	-	-	-
Unearned Revenues	42,714,478.94	-	-	-	-	-	5,128,539.53	-	47,843,018.47
Obligations/Reverse Repurchase Agrmt	-	-	-	-	-	-	-	-	-
Obligations/Securities Lending	-	-	-	-	-	-	-	-	-
Short Term Debt	-	-	-	-	-	-	-	-	-
Employees' Compensable Leave	-	-	-	-	-	-	-	-	-
Claims and Judgments	-	-	-	-	-	-	-	-	-
Capital Lease Obligations	-	-	-	-	-	-	-	-	-
Notes and Loans Payable	-	-	-	-	-	-	-	-	-
Revenue Bonds Payable	-	-	-	-	-	-	-	-	-
General Obligation Bonds Payable	-	-	-	-	-	-	-	-	-
Liabilities Payable from Restricted Assets	-	-	-	-	-	-	-	-	-
Funds Held For Others	-	-	-	-	-	-	-	-	-
Non-Current Liabilities									
Interfund Payable	-	-	-	-	-	-	-	-	-
Employees' Compensable Leave	-	-	-	-	-	-	-	-	-
Claims and Judgments	-	-	-	-	-	-	-	-	-
Capital Lease Obligations	-	-	-	-	-	-	-	-	-
Notes and Loans Payable	-	-	-	-	-	-	-	-	-
Revenue Bonds Payable	-	-	-	-	-	-	-	-	-
General Obligation Bonds Payable	-	-	-	-	-	-	-	-	-
Liabilities Payable from Restricted Assets	-	-	-	-	-	-	-	-	-
Assets Held for Others	-	-	-	-	-	-	-	-	-
Total Liabilities	16,050,968.74	11,585.77	80,746,091.36	-	-	84,493.57	5,181,756.16	-	102,074,895.60
DEFERRED INFLOWS OF RESOURCES									
Deferred Inflows of Resources	-	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balances (Deficits):									
Nonspendable	392,264.40	-	-	-	-	-	-	-	392,264.40
Restricted	8,261,523.07	5,921,322.20	-	-	-	-	1,308,557.35	-	15,491,402.62
Committed	-	-	-	-	-	-	-	-	-
Assigned	20,000.00	-	-	-	1,083,689.96	-	-	-	1,103,689.96
Unassigned	23,531,970.87	0.00	42.66	-	-	(3,817.05)	(11,824.43)	358,101.94	23,874,473.99
Total Fund Balances	32,205,758.34	5,921,322.20	42.66	-	1,083,689.96	(3,817.05)	1,296,732.92	358,101.94	40,861,830.97
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 48,256,727.08	\$ 5,932,907.97	\$ 80,746,134.02	\$ -	\$ 1,083,689.96	\$ 80,676.52	\$ 6,478,489.08	\$ 358,101.94	\$ 142,936,726.57

TEXAS DEPARTMENT OF AGRICULTURE
Exhibit A-2 — Combining Statement of Revenues, Expenditures and Changes in Fund Balances —
All General and Consolidated Funds
For the Fiscal Year Ended August 31, 2020

	General		Consolidated Accounts						Total
	Fund 1 (0001) U/F (0001)	Texas Economic Dev't Fund (0183) U/F (0183)	Coronavirus Relief Fund (0325) U/F (0325)	License Plate Trust Fund (0802) U/F (0802)	Gov't Fund Type 1 (0900) U/F (0666)	Go Texas Program Fund (5051) U/F (5051)	CDBG Fund (5091) U/F (5091)	Hemp Production Account (5178) U/F (5178)	
REVENUES									
Legislative Appropriations									
Original Appropriations (GR)	\$ 51,971,111.65	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51,971,111.65
Additional Appropriations (GR)	5,412,270.84	-		-	-	-	-	-	5,412,270.84
Taxes (GR)	-	-		-	-	-	-	-	-
Federal Revenue (PR - Operating or Capital)	475,845,352.27	-	203,446,017.92	-	-	-	63,276,085.43	-	742,567,455.62
Federal Grant Pass-Through Revenue (GR)	-	-		-	-	-	-	-	-
State Grant Pass-Through Revenue (GR)	-	-		-	-	-	-	-	-
License, Fees & Permits (PR)	346,283.17	-		53,346.99	(703,117.11)	-	-	361,948.12	58,461.17
Contribution to Employee's Benefit Funds (PR)	-	-		-	-	-	-	-	-
Interest and Other Investment Income (PR)	-	-		-	-	-	-	-	-
Interest and Other Investment Income (GR)	7,713.91	165,269.19	42.66	811.37	-	-	-	-	173,837.13
Net Increase (Decrease) in Fair Value (PR)	-	-		-	-	-	-	-	-
Net Increase (Decrease) in Fair Value (GR)	-	466,201.13		-	-	-	-	-	466,201.13
Land Income (PR)	-	-		-	-	-	-	-	-
Settlement of Claims (PR)	-	-		-	-	-	-	-	-
Settlement of Claims (GR)	-	-		-	-	-	-	-	-
Sales of Goods and Services (PR)	736,432.22	-		-	-	-	-	-	736,432.22
Other (PR - Chg for Serv, Operating or Capital)	2,921,304.22	-		-	-	-	-	2,250.00	2,923,554.22
Other (GR)	-	-		-	-	-	-	-	-
Total Revenues	537,240,468.28	631,470.32	203,446,060.58	54,158.36	(703,117.11)	-	63,276,085.43	364,198.12	804,309,323.98
EXPENDITURES									
Salaries and Wages	35,257,743.24	189,656.72		-	-	-	748,335.03	-	36,195,734.99
Payroll Related Costs	10,592,604.31	387,607.30		-	-	-	237,578.80	-	11,217,790.41
Professional Fees and Services	2,420,838.43	-		-	-	-	175.00	-	2,421,013.43
Travel	1,091,095.91	5,057.10		-	-	-	3,411.05	-	1,099,564.06
Materials and Supplies	2,065,927.69	52.83		-	-	-	5,387.29	-	2,071,367.81
Communication and Utilities	664,021.38	-		-	-	-	-	-	664,021.38
Repairs and Maintenance	1,497,775.68	-		-	-	-	11.28	-	1,497,786.96
Rentals and Leases	1,194,374.29	-		-	-	-	-	-	1,194,374.29
Printing and Reproduction	378,941.47	-		-	-	-	-	-	378,941.47
Claims and Judgments	-	-		-	-	-	-	-	-
Federal Grant Pass-Through Expenditures	3,031,822.93	-		-	-	-	-	-	3,031,822.93
State Grant Pass-Through Expenditures	541,703.62	-		-	-	-	-	-	541,703.62
Intergovernmental Payments	25,209,146.49	-		-	-	-	61,893,006.14	-	87,102,152.63
Public Assistance Payments	433,267,201.19	-	203,446,017.92	14,867.77	-	-	-	-	636,728,086.88
Employee Benefit Payments	-	-		-	-	-	-	-	-
Other Expenditures	3,265,424.99	45,085.28		-	-	-	61,130.84	6,096.18	3,377,737.29
Debt Service:									
Principal	-	-		-	-	-	-	-	-
Interest	-	-		-	-	-	-	-	-
Other Financing Fees	-	-		-	-	-	-	-	-
Other Payments for Refunding	-	-		-	-	-	-	-	-
Capital Outlay	808,622.21	-		-	-	-	327,050.00	-	1,135,672.21
Total Expenditures	521,287,243.83	627,459.23	203,446,017.92	14,867.77	-	-	63,276,085.43	6,096.18	788,657,770.36
Excess (Deficiency) of Revenues over Expenditures	15,953,224.45	4,011.09	42.66	39,290.59	(703,117.11)	-	-	358,101.94	15,651,553.62

TEXAS DEPARTMENT OF AGRICULTURE
Exhibit A-2 — Combining Statement of Revenues, Expenditures and Changes in Fund Balances —
All General and Consolidated Funds
For the Fiscal Year Ended August 31, 2020

	General		Consolidated Accounts						Total
	Fund 1 (0001) U/F (0001)	Texas	Coronavirus	License Plate	Gov't Fund	Go Texas	CDBG Fund	Hemp	
		Economic	Relief Fund	Trust Fund	Type 1	Program	(5091)	Production	
		Dev't Fund	(0325)	(0802)	(0900)	Fund	Account	(5178)	
U/F (0183)	U/F (0325)	U/F (0802)	U/F (0666)	U/F (5051)	U/F (5091)	U/F (5178)			
OTHER FINANCING SOURCES (USES)									
Bond and Note Proceeds	-	-	-	-	-	-	-	-	-
Bonds Issued for Refunding	-	-	-	-	-	-	-	-	-
Premiums on Bonds Issued	-	-	-	-	-	-	-	-	-
Payment to Escrow for Refunding	-	-	-	-	-	-	-	-	-
Increase in Obligations Under Capital Leases	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	86,056.96	-	-	-	-	-	-	-	86,056.96
Insurance Recoveries	-	-	-	-	-	-	-	-	-
Transfers In	2,451,941.06	6,847,935.64	-	22,478.86	-	-	3,288,893.06	-	12,611,248.62
Transfers Out	(11,275,136.80)	(6,847,935.64)	-	(53,067.84)	-	-	(3,288,893.06)	-	(21,465,033.34)
Legislative Transfers In	-	-	-	-	-	-	-	-	-
Legislative Transfers Out	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(8,737,138.78)	-	-	(30,588.98)	-	-	-	-	(8,767,727.76)
Net Change in Fund Balances	7,216,085.67	4,011.09	42.66	8,701.61	(703,117.11)	-	-	358,101.94	6,883,825.86
Fund Financial Statement - Fund Balances									
Fund Balances, September 1, 2019	33,942,229.56	5,917,311.11	-	(8,701.61)	1,786,807.07	(3,817.05)	1,296,732.92	-	42,930,562.00
Restatements	-	-	-	-	-	-	-	-	-
Fund Balances, September 1, 2019, as Restated	33,942,229.56	5,917,311.11	-	(8,701.61)	1,786,807.07	(3,817.05)	1,296,732.92	-	42,930,562.00
Appropriations Lapsed	(8,952,556.89)	-	-	-	-	-	-	-	(8,952,556.89)
Fund Balances, August 31, 2020	\$ 32,205,758.34	\$ 5,921,322.20	\$ 42.66	\$ -	\$ 1,083,689.96	\$ (3,817.05)	\$ 1,296,732.92	\$ 358,101.94	\$ 40,861,830.97

TEXAS DEPARTMENT OF AGRICULTURE
Exhibit B-1— Combining Balance Sheet — Special Revenue Funds
August 31, 2020

	Produce Recovery	
	Fund	
	(0974)	
	U/F (0974)	Totals
ASSETS		
Current Assets:		
Cash and Cash Equivalents		
Cash on Hand	\$ -	\$ -
Cash in Bank	-	-
Cash in Transit/Reimburse from Treasury	-	-
Cash in State Treasury	1,926,914.61	1,926,914.61
Short Term Investments	-	-
Securities Lending Collateral	-	-
Legislative Appropriations	-	-
Receivables from:		
Accounts Receivable	-	-
Taxes	-	-
Federal	-	-
Other Intergovernmental	-	-
Interest and Dividends	-	-
Gifts, Pledges and Donations	-	-
Other	-	-
Due From Other Funds	-	-
Due From Other Agencies	-	-
Interfund Receivable	(1,837,905.36)	(1,837,905.36)
Consumable Inventories	-	-
Merchandise Inventories	-	-
Prepaid Items	-	-
Loans and Contracts	-	-
Restricted:		
Cash and Cash Equivalents		
Cash on Hand	-	-
Cash in Bank	-	-
Cash in Transit/Reimburse from Treasury	-	-
Cash in State Treasury	-	-
Short Term Investments	-	-
Other Current Assets	-	-
Non-Current Assets:		
Gifts, Pledges and Donations	-	-
Interfund Receivable	-	-
Investments	-	-
Loans and Contracts	-	-
Restricted:		
Cash and Cash Equivalents		
Cash on Hand	-	-
Cash in Bank	-	-
Cash in Transit/Reimburse from Treasury	-	-
Cash in State Treasury	-	-
Short Term Investments	-	-
Receivables	-	-
Investments	-	-
Loans and Contracts	-	-
Other Assets	-	-
Other Non-Current Assets	-	-
Total Assets	\$ 89,009.25	\$ 89,009.25
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows of Resources	-	-
Total Deferred Outflows of Resources	\$ -	\$ -

TEXAS DEPARTMENT OF AGRICULTURE
Exhibit B-1— Combining Balance Sheet — Special Revenue Funds
August 31, 2020

	Produce Recovery		
	Fund		
	(0974)		
	U/F (0974)		Totals
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Current Liabilities:			
Payables from:			
Accounts	\$	-	\$ -
Other Intergovernmental		-	-
Payroll		-	-
Federal		-	-
Contracts		-	-
Other		-	-
Contract Retainage Payable		-	-
Due To Other Funds		-	-
Due To Other Agencies		-	-
Interfund Payable		-	-
Unearned Revenues		-	-
Obligations/Reverse Repurchase Agreement		-	-
Obligations Under Securities Lending		-	-
Short Term Debt		-	-
Employees' Compensable Leave		-	-
Claims and Judgments		-	-
Capital Lease Obligations		-	-
Notes and Loans Payable		-	-
Revenue Bonds Payable		-	-
General Obligation Bonds Payable		-	-
Liabilities Payable from Restricted Assets		-	-
Funds Held For Others		-	-
Non-Current Liabilities			
Interfund Payable		-	-
Employees' Compensable Leave		-	-
Claims and Judgments		-	-
Capital Lease Obligations		-	-
Notes and Loans Payable		-	-
Revenue Bonds Payable		-	-
General Obligation Bonds Payable		-	-
Liabilities Payable from Restricted Assets		-	-
Assets Held for Others		-	-
Total Liabilities		-	-
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources		-	-
Total Deferred Inflows of Resources	\$	-	\$ -
Fund Balances (Deficits):			
Nonspendable			-
Restricted		-	-
Committed		-	-
Assigned		-	-
Unassigned		89,009.25	89,009.25
Total Fund Balances		89,009.25	89,009.25
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$	89,009.25	\$ 89,009.25

TEXAS DEPARTMENT OF AGRICULTURE
Exhibit B-2 — Combining Statement of Revenues, Expenditures and Changes in Fund Balances —
Special Revenue Funds
For the Fiscal Year Ended August 31, 2020

	Produce Recovery Fund (0974)	Totals
	U/F (0974)	
REVENUES		
Legislative Appropriations		
Original Appropriations (GR)	\$ -	\$ -
Additional Appropriations (GR)	-	-
Taxes (GR)	-	-
Federal Revenue (PR - Operating or Capital)	-	-
Federal Grant Pass-Through Revenue (GR)	-	-
State Grant Pass-Through Revenue (GR)	-	-
License, Fees & Permits (PR)	71,026.73	71,026.73
Contribution to Employee's Benefit Funds (PR)	-	-
Interest and Other Investment Income (PR)	-	-
Interest and Other Investment Income (GR)	32,878.52	32,878.52
Net Increase (Decrease) in Fair Value (PR)	-	-
Net Increase (Decrease) in Fair Value (GR)	-	-
Land Income (PR)	-	-
Settlement of Claims (PR)	-	-
Settlement of Claims (GR)	-	-
Sales of Goods and Services (PR)	-	-
Other (PR - Chg for Serv, Operating or Capital)	-	-
Other (GR)	-	-
Total Revenues	<u>103,905.25</u>	<u>103,905.25</u>
EXPENDITURES		
Salaries and Wages	-	-
Payroll Related Costs	-	-
Professional Fees and Services	-	-
Travel	-	-
Materials and Supplies	-	-
Communication and Utilities	-	-
Repairs and Maintenance	-	-
Rentals and Leases	-	-
Printing and Reproduction	-	-
Claims and Judgments	14,896.00	14,896.00
Federal Grant Pass-Through Expenditures	-	-
State Grant Pass-Through Expenditures	-	-
Intergovernmental Payments	-	-
Public Assistance Payments	-	-
Employee Benefit Payments	-	-
Other Expenditures	-	-
Debt Service:	-	-
Principal	-	-
Interest	-	-
Other Financing Fees	-	-
Other Payments for Refunding	-	-
Capital Outlay	-	-
Total Expenditures	<u>14,896.00</u>	<u>14,896.00</u>
Excess (Deficiency) of Revenues over Expenditures	<u>89,009.25</u>	<u>89,009.25</u>
OTHER FINANCING SOURCES (USES)		
Bond and Note Proceeds	-	-
Bonds Issued for Refunding	-	-
Premiums on Bonds Issued	-	-
Payment to Escrow for Refunding	-	-
Increase in Obligations Under Capital Leases	-	-
Sale of Capital Assets	-	-
Insurance Recoveries	-	-
Transfers In	-	-
Transfers Out	-	-
Legislative Transfers In	-	-
Legislative Transfers Out	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>89,009.25</u>	<u>89,009.25</u>
Fund Financial Statement - Fund Balances		
Fund Balances, September 1, 2019	-	-
Restatements	-	-
Fund Financial Statement - Fund Balances	<u>-</u>	<u>-</u>
Appropriations Lapsed	-	-
Restatements	<u>\$ 89,009.25</u>	<u>\$ 89,009.25</u>

TEXAS DEPARTMENT OF AGRICULTURE
Exhibit E-1— Combining Balance Sheet — Permanent Funds
August 31, 2020

	Permanent Fund (0364) U/F (0364)	Permanent Fund (5047) U/F (5047)	Totals
ASSETS			
Current Assets:			
Cash and Cash Equivalents			
Cash on Hand	\$ -	\$ -	\$ -
Cash in Bank	-	-	-
Cash in Transit/Reimburse from Treasury	-	-	-
Cash in State Treasury	296,127.75	2,446,678.21	2,742,805.96
Short Term Investments	-	-	-
Securities Lending Collateral	-	-	-
Legislative Appropriations	-	-	-
Receivables from:			
Accounts Receivable	-	-	-
Taxes	-	-	-
Federal	-	-	-
Other Intergovernmental	-	-	-
Interest and Dividends	-	-	-
Gifts, Pledges and Donations	-	-	-
Other	-	-	-
Due From Other Funds	-	-	-
Due From Other Agencies	-	-	-
Interfund Receivable	-	-	-
Consumable Inventories	-	-	-
Merchandise Inventories	-	-	-
Prepaid Items	-	-	-
Loans and Contracts	-	-	-
Restricted:			
Cash and Cash Equivalents			
Cash on Hand	-	-	-
Cash in Bank	-	-	-
Cash in Transit/Reimburse from Treasury	-	-	-
Cash in State Treasury	-	-	-
Short Term Investments	-	-	-
Other Current Assets	-	-	-
Non-Current Assets:			
Gifts, Pledges and Donations	-	-	-
Interfund Receivable	-	-	-
Investments	3,532,079.78	-	3,532,079.78
Loans and Contracts	-	-	-
Restricted:			
Cash and Cash Equivalents			
Cash on Hand	-	-	-
Cash in Bank	-	-	-
Cash in Transit/Reimburse from Treasury	-	-	-
Cash in State Treasury	-	-	-
Short Term Investments	-	-	-
Receivables	-	-	-
Investments	-	-	-
Loans and Contracts	-	-	-
Other Assets	-	-	-
Other Non-Current Assets	-	-	-
Total Assets	\$ 3,828,207.53	\$ 2,446,678.21	\$ 6,274,885.74
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources	-	-	-
Total Deferred Outflows of Resources	\$ -	\$ -	\$ -

TEXAS DEPARTMENT OF AGRICULTURE
Exhibit E-1— Combining Balance Sheet — Permanent Funds
August 31, 2020

	Permanent Fund (0364) U/F (0364)	Permanent Fund (5047) U/F (5047)	Totals
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Current Liabilities:			
Payables from:			
Accounts	\$ -	\$ -	\$ -
Other Intergovernmental	-	-	-
Payroll	-	-	-
Federal	-	-	-
Contracts	-	-	-
Other	-	-	-
Contract Retainage Payable	-	-	-
Due To Other Funds	-	-	-
Due To Other Agencies	-	-	-
Interfund Payable	-	-	-
Unearned Revenues	-	-	-
Obligations/Reverse Repurchase Agreement	-	-	-
Obligations Under Securities Lending	-	-	-
Short Term Debt	-	-	-
Employees' Compensable Leave	-	-	-
Claims and Judgments	-	-	-
Capital Lease Obligations	-	-	-
Notes and Loans Payable	-	-	-
Revenue Bonds Payable	-	-	-
General Obligation Bonds Payable	-	-	-
Liabilities Payable from Restricted Assets	-	-	-
Funds Held For Others	-	-	-
Non-Current Liabilities	-	-	-
Interfund Payable	-	-	-
Employees' Compensable Leave	-	-	-
Claims and Judgments	-	-	-
Capital Lease Obligations	-	-	-
Notes and Loans Payable	-	-	-
Revenue Bonds Payable	-	-	-
General Obligation Bonds Payable	-	-	-
Liabilities Payable from Restricted Assets	-	-	-
Assets Held for Others	-	-	-
Total Liabilities	-	-	-
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources	-	-	-
Total Deferred Inflows of Resources	\$ -	\$ -	\$ -
Fund Balances (Deficits):			
Nonspendable	-	-	-
Restricted	3,828,207.53	2,446,678.21	6,274,885.74
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total Fund Balances	3,828,207.53	2,446,678.21	6,274,885.74
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 3,828,207.53	\$ 2,446,678.21	\$ 6,274,885.74

TEXAS DEPARTMENT OF AGRICULTURE
Exhibit E-2 — Combining Statement of Revenues, Expenditures and Changes in Fund Balances —
Permanent Funds
For the Fiscal Year Ended August 31, 2020

	Permanent Fund (0364) U/F (0364)	Permanent Fund (5047) U/F (5047)	Totals
REVENUES			
Interest and Other Investment Income (PR)	\$ -	\$ -	\$ -
Interest and Other Investment Income (GR)	99,509.22	-	99,509.22
Net Increase (Decrease) in Fair Value (PR)	-	-	-
Net Increase (Decrease) in Fair Value (GR)	-	-	-
Other (GR)	-	-	-
Total Revenues	99,509.22	-	99,509.22
EXPENDITURES			
Salaries and Wages	622.74	30.05	652.79
Payroll Related Costs	597.96	7,734.87	8,332.83
Materials and Supplies	-	-	-
Public Assistance Payments	20,000.00	1,307,871.71	1,327,871.71
Professional Fees and Services	-	-	-
Other Expenditures	23.23	1.12	24.35
Total Expenditures	21,243.93	1,315,637.75	1,336,881.68
Excess (Deficiency) of Revenues over (under) Expenditures	78,265.29	(1,315,637.75)	(1,237,372.46)
OTHER FINANCING SOURCES (USES)			
Transfer In	72,769.13	2,450,688.72	2,523,457.85
Transfer Out	(72,769.13)	(767,390.44)	(840,159.57)
Total Other Financing Sources (Uses)	-	1,683,298.28	1,683,298.28
Net Change in Fund Balances	78,265.29	367,660.53	445,925.82
Fund Financial Statement – Fund Balances			
Fund Balances, September 1, 2018, as Restated	3,749,942.24	2,079,017.68	5,828,959.92
Restatements	-	-	-
Fund Balances, September 1, 2019, as Restated	3,749,942.24	2,079,017.68	5,828,959.92
Appropriations Lapsed	-	-	-
Fund Balances, August 31, 2020	\$ 3,828,207.53	\$ 2,446,678.21	\$ 6,274,885.74

TEXAS DEPARTMENT OF AGRICULTURE
Exhibit I-1 — Combining Statement of Fiduciary Net Position —
Private-Purpose Trust Funds
August 31, 2020

	Private-Purpose Trust Fund (0974) U/F (0974)
	<u> </u>
ASSETS	
Cash and Cash Equivalents:	
Cash on Hand	\$ -
Cash in Bank	-
Cash in State Treasury	-
Cash Equivalents	-
Investments:	
U.S. Government Agency Obligations	-
Corporate Equity	-
Corporate Obligations	-
Repurchase Agreements	-
Foreign Securities	-
Other Investments	-
Receivables:	
Federal	-
Other Intergovernmental	-
Interest and Dividends	-
Accounts	-
Investment Trades	-
Other	-
Interfund Receivables	-
Due From Other Funds	-
Due From Other Agencies	-
Consumable Inventories	-
Merchandise Inventories	-
Properties, at Cost, Net of	-
Accumulated Depreciation or Amortization	-
Other Assets	-
Total Assets	<u>-</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows of Resources	-
Total Deferred Outflows of Resources	<u>-</u>
LIABILITIES	
Payables:	
Accounts	\$ -
Other Intergovernmental	-
Payroll	-
Investment Trades	-
Interest	-
Other	-
Interfund Payable	-
Due To Other Funds	-
Due To Other Agencies	-
Unearned Revenue	-
Funds Held For Others	1,837,655.36
Other Liabilities	-
Total Liabilities	<u>1,837,655.36</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows of Resources	-
Total Deferred Inflows of Resources	<u>-</u>
NET POSITION	
Held in Trust For	-
Individuals, Organizations and Other Governments	(1,837,655.36)
Total Net Position	<u>\$ (1,837,655.36)</u>

TEXAS DEPARTMENT OF AGRICULTURE
Exhibit I-2 — Combining Statement of Changes in Fiduciary Net Position —
Private-Purpose Trust Funds
For the Fiscal Year Ended August 31, 2020

	Private-Purpose Trust Fund (0974)	
	U/F (0974)	Totals
ADDITIONS		
Contributions:		
Federal Contributions	\$ -	\$ -
Other Contributions	-	-
Total Contributions	-	-
Investment Income		
From Investing Activities:		
Net Increase (Decrease) in Fair Value of Investments	-	-
Interest, Dividend and Other	-	-
Total Investing Income (Loss)	-	-
Less Investing Activities Expense	-	-
Net Income from Investing Activities	-	-
Total Net Investment Income (Loss)	-	-
Other Additions:		
Settlement of Claims	-	-
Other Revenue	-	-
Transfer In	-	-
Total Other Additions	-	-
Total Additions	-	-
DEDUCTIONS		
Benefits	-	-
Transfers Out of Contributions	-	-
Salaries and Wages	-	-
Payroll Related Costs	-	-
Professional Fees and Services	-	-
Travel	-	-
Printing and Reproduction	-	-
Depreciation and Amortization Expense	-	-
Settlement of Claims	-	-
Interest Expense	-	-
Transfer Out	-	-
Intergovernmental Payments	-	-
Other Expenses	-	-
Total Deductions	-	-
INCREASE (DECREASE) IN NET POSITION	-	-
NET POSITION		
Net Position, September 1, 2019	1,837,655.36	1,837,655.36
Restatements	-	-
Net Position, September 1, 2019, as Restated	1,837,655.36	1,837,655.36
Net Position, August 31, 2020	\$ 1,837,655.36	\$ 1,837,655.36

TEXAS DEPARTMENT OF AGRICULTURE
Exhibit J-1 - Combining Statement of Changes in Assets and Liabilities - Agency Funds
August 31, 2020

	Beginning Balance 9/1/2019	Additions	Deductions	Ending Balance 8/31/2020
Unappropriated Receipts				
General Revenue Fund (0001) U/F (1000)				
ASSETS				
Cash in State Treasury	\$ -	\$ 37,316,756.40	\$ 37,316,756.40	\$ -
Legislative Appropriations	(32.00)		5.00	(37.00)
Total Assets	<u>\$ (32.00)</u>	<u>\$ 37,316,756.40</u>	<u>\$ 37,316,761.40</u>	<u>\$ (37.00)</u>
LIABILITIES				
Accounts Payable	\$ -	\$ 71,452.93	\$ 71,452.93	\$ -
Funds Held for Others	(32.00)	37,303,988.12	37,303,993.12	(37.00)
Total Liabilities	<u>\$ (32.00)</u>	<u>\$ 37,375,441.05</u>	<u>\$ 37,375,446.05</u>	<u>\$ (37.00)</u>
Agency Fund #2 (0807) U/F (0807)				
ASSETS				
Cash in State Treasury	\$ 8,941.38	\$ 87,695.61	\$ 92,025.99	\$ 4,611.00
Interest and Dividend Receivable	-	-	-	-
Investments	-	-	-	-
U.S. Government Agency Obligations	-	-	-	-
Total Assets	<u>\$ 8,941.38</u>	<u>\$ 87,695.61</u>	<u>\$ 92,025.99</u>	<u>\$ 4,611.00</u>
LIABILITIES				
Accounts Payable	\$ -	\$ 83,074.40	\$ 83,074.40	\$ -
Funds Held for Others	8,941.38	87,695.61	92,025.99	4,611.00
Total Liabilities	<u>\$ 8,941.38</u>	<u>\$ 170,770.01</u>	<u>\$ 175,100.39</u>	<u>\$ 4,611.00</u>
Agency Fund #3 (0882) U/F (0882)				
ASSETS				
Cash in State Treasury	\$ -	\$ 73.40	\$ 73.40	\$ -
Interest and Dividends Receivable	-	-	-	-
Other Assets	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 73.40</u>	<u>\$ 73.40</u>	<u>\$ -</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Funds Held for Others	-	73.40	73.40	-
Total Liabilities	<u>\$ -</u>	<u>\$ 73.40</u>	<u>\$ 73.40</u>	<u>\$ -</u>
Agency Fund #4 (0900) U/F (0900)				
ASSETS				
Cash in State Treasury	\$ -	\$ 26,509,232.03	\$ 26,509,232.03	\$ -
Accounts Receivable	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 26,509,232.03</u>	<u>\$ 26,509,232.03</u>	<u>\$ -</u>
LIABILITIES				
Accounts Payable	\$ -	\$ 219,450.80	\$ 219,450.80	\$ -
Other Intergovernmental	-	-	-	-
Funds Held for Others	-	26,679,557.09	26,679,557.09	-
Total Liabilities	<u>\$ -</u>	<u>\$ 26,899,007.89</u>	<u>\$ 26,899,007.89</u>	<u>\$ -</u>

TEXAS DEPARTMENT OF AGRICULTURE
Exhibit J-1 - Combining Statement of Changes in Assets and Liabilities - Agency Funds
August 31, 2020

	Beginning Balance 9/1/2019	Additions	Deductions	Ending Balance 8/31/2020
Agency Fund #5 (0980) UF (0980)				
ASSETS				
Cash in State Treasury	-	\$ 472,147.07	\$ 472,147.07	\$ -
Accounts Receivable	-	-	-	-
Total Assets	\$ -	\$ 472,147.07	\$ 472,147.07	\$ -
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Other Intergovernmental Funds Held for Others	-	\$ 472,147.07	\$ 472,147.07	-
Total Liabilities	\$ -	\$ 472,147.07	\$ 472,147.07	\$ -
Totals - All Agency Funds				
ASSETS				
Cash in State Treasury	\$ 8,941.38	\$ 64,385,904.51	\$ 64,390,234.89	\$ 4,611.00
Investments	-	-	-	-
U.S. Government Agency Obligations	-	-	-	-
Legislative Appropriations Receivables:	(32.00)	-	5.00	(37.00)
Other Intergovernmental	-	-	-	-
Interest and Dividends	-	-	-	-
Other	-	-	-	-
Interfund Receivables	-	-	-	-
Due From Other Funds	-	-	-	-
Other Assets	-	-	-	-
Total Assets	\$ 8,909.38	\$ 64,385,904.51	\$ 64,390,239.89	\$ 4,574.00
LIABILITIES				
Payables	\$ -	\$ 373,978.13	\$ 373,978.13	\$ -
Other Intergovernmental	-	-	-	-
Interfund Payables	-	-	-	-
Due to Other Funds	-	-	-	-
Due To Component Units	-	-	-	-
Funds Held for Others	8,909.38	64,543,461.29	64,547,796.67	4,574.00
Total Liabilities	\$ 8,909.38	\$ 64,917,439.42	\$ 64,921,774.80	\$ 4,574.00

TEXAS DEPARTMENT OF AGRICULTURE
Exhibit K-1 — Combining Statement of Net Position —
Discretely Presented Component Units
August 31, 2020

	Texas Agricultural Fund (0683) U/F (0683)	TX Boll Weevil Eradication Foundation (3152) U/F (5998)	Totals
ASSETS			
Current Assets:			
Cash and Cash Equivalents			
Cash on Hand	\$ -	\$ 1,900.00	\$ 1,900.00
Cash in Bank	-	88,512,757.00	88,512,757.00
Cash in Transit	-	-	-
Cash In State Treasury	17,599,608.68	-	17,599,608.68
Securities Lending Collateral	-	-	-
Short Term Investments	-	-	-
Restricted:			
Cash and Cash Equivalents (Note 3)			
Cash on Hand	-	-	-
Cash in Bank	-	13,378,952.00	13,378,952.00
Cash in Transit	-	-	-
Receivables from:			
Federal	-	-	-
Other Intergovernmental	-	\$ 5,133,453.00	5,133,453.00
Interest and Dividends	46,184.33	-	46,184.33
Accounts Receivable	-	484,655.00	484,655.00
Taxes	-	-	-
Gifts, Pledges and Donations	-	-	-
Other	-	-	-
Interfund Receivables	-	-	-
Due From Other Funds	-	-	-
Due From Primary Government	-	-	-
Due From Component Units	-	-	-
Consumable Inventories	-	3,713,253.00	3,713,253.00
Merchandise Inventories	-	-	-
Prepaid Items	-	2,200,224.00	2,200,224.00
Loans and Contracts	140,000.00	-	140,000.00
Other Current Assets	3,625.26	-	3,625.26
Total Current Assets	17,789,418.27	113,425,194.00	131,214,612.27
Non-Current Assets:			
Restricted:			
Cash and Cash Equivalents			
Cash on Hand	-	-	-
Cash in Bank	-	-	-
Cash in Transit	-	-	-
Cash Equivalents	-	-	-
Short Term Investments	-	-	-
Receivables	-	-	-
Investments	-	645,185.00	645,185.00
Loans and Contracts	-	-	-
Other Assets	-	-	-
Loans and Contracts	1,312,000.00	-	1,312,000.00
Investments	-	-	-
Interfund Receivables	-	-	-
Gifts, Pledges and Donations	-	-	-
Capital Assets:			
Non-Depreciable or Non-Amortizable	-	-	-
Depreciable and Amortizable, Net	-	2,873,919.00	2,873,919.00
Assets Held in Trust	-	-	-
Other Non-Current Assets	-	3,509,340.00	3,509,340.00
Total Non-Current Assets	1,312,000.00	7,028,444.00	8,340,444.00
Total Assets	19,101,418.27	120,453,638.00	139,555,056.27
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources	-	-	-
Total Deferred Outflows of Resources	-	-	-

TEXAS DEPARTMENT OF AGRICULTURE
Exhibit K-1 — Combining Statement of Net Position —
Discretely Presented Component Units
August 31, 2020

	Texas Agricultural Fund (0683) U/F (0683)	TX Boll Weevil Eradication Foundation (3152) U/F (5998)	Totals
LIABILITIES			
Current Liabilities:			
Payables from:			
Accounts	\$ 2,208.26	\$ 2,356,795.00	\$ 2,359,003.26
Federal	-	-	-
Other Intergovernmental	-	-	-
Payroll	18,172.32	\$ 296,148.00	314,320.32
Contracts	-	-	-
Other	-	-	-
Interfund Payable	-	-	-
Due To Other Funds	-	-	-
Due To Primary Government	-	-	-
Unearned Revenue	-	-	-
Short Term Debt	-	-	-
Notes and Loans Payable	-	1,852,298.00	1,852,298.00
Revenue Bonds Payable	-	-	-
General Obligation Bonds Payable	-	-	-
Claims and Judgments	-	-	-
Employees' Compensable Leave	1,493.58	\$ 732,883.00	734,376.58
Other Current Liabilities	-	-	-
Total Current Liabilities	<u>21,874.16</u>	<u>5,238,124.00</u>	<u>5,259,998.16</u>
Non-Current Liabilities:			
Interfund Payable	-	-	-
Employees' Compensable Leave	-	-	-
Claims and Judgments	-	-	-
Capital Lease Obligations	-	-	-
Notes and Loans Payable	-	-	-
Revenue Bonds Payable	-	-	-
General Obligation Bonds Payable	-	-	-
Liabilities Payable from Restricted Assets	-	-	-
Assets Held for Others	-	-	-
Other Non-Current Liabilities	-	645,185.00	645,185.00
Total Non-Current Liabilities	<u>-</u>	<u>645,185.00</u>	<u>645,185.00</u>
Total Liabilities	<u>21,874.16</u>	<u>5,883,309.00</u>	<u>5,905,183.16</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Net Position			
Net Investment in Capital Assets	-	2,873,919.00	2,873,919.00
Restricted For:			
Debt Retirement	-	-	-
Capital Projects	-	-	-
Funds Held as Permanent Investments:			
Expendable	-	-	-
Nonexpendable	-	-	-
Other	-	13,378,952.00	13,378,952.00
Unrestricted	19,079,544.11	98,317,458.00	117,397,002.11
Total Net Position	<u>\$ 19,079,544.11</u>	<u>\$ 114,570,329.00</u>	<u>\$ 133,649,873.11</u>

TEXAS DEPARTMENT OF AGRICULTURE
Exhibit K-2 — Combining Statement of Revenues, Expenses and Changes in Net Position —
Discretely Presented Component Units
For the Fiscal Year Ended August 31, 2020

	Texas Agricultural Fund (0683) U/F (0683)	TX Boll Weevil Eradication Foundation (3152) U/F (5998)	Totals
OPERATING REVENUE:			
Sales of Goods and Services	\$ -	\$ -	\$ -
Tuition Revenue	-	-	-
Professional Fees	-	-	-
Auxiliary Enterprises	-	-	-
Unemployment Taxes	-	-	-
Other Sales of Goods and Services - Pledged (PR)	-	-	-
Other Sales of Goods and Services - Non-Pledged (PR)	595,435.00	-	595,435.00
Other Sales of Goods and Services - Disc and Allow	-	-	-
Premium Revenue	-	-	-
Interest and Investment Income (GR)	-	-	-
Net Increase (Decrease) in Fair Value (GR)	-	-	-
Federal Revenue (PR)	-	5,500,000.00	5,500,000.00
Federal Grant Pass-Through Revenue (PR)	-	-	-
State Grant Revenue (PR)	-	5,495,566.00	5,495,566.00
State Grant Pass-Through Revenue (PR)	-	-	-
Other Contract and Grants (PR)	-	-	-
Land Income (PR)	-	-	-
Contributions to Retirement System (PR)	-	-	-
Other Operating Revenue (GR)	487.80	12,225,383.00	12,225,870.80
Total Operating Revenues	<u>595,922.80</u>	<u>23,220,949.00</u>	<u>23,816,871.80</u>
OPERATING EXPENSES:			
Cost of Goods Sold	-	-	-
Salaries and Wages	333,780.73	10,736,326.00	11,070,106.73
Payroll Related Costs	168,751.73	-	168,751.73
Professional Fees and Services	19,511.26	527,962.00	547,473.26
Travel	6,885.43	175,050.00	181,935.43
Materials and Supplies	7,348.63	8,395,419.00	8,402,767.63
Communication and Utilities	500.00	339,849.00	340,349.00
Repairs and Maintenance	(194.03)	518,245.00	518,050.97
Rentals and Leases	-	436,092.00	436,092.00
Printing and Reproduction	31.00	-	31.00
Federal Grant Pass-Through Expense	-	-	-
State Grant Pass-Through Expense	-	-	-
Depreciation and Amortization	-	1,052,057.00	1,052,057.00
Bad Debt Expense	-	93,144.00	93,144.00
Interest Expense	1.32	-	1.32
Scholarships	-	-	-
Lottery Fess and Other Cost	-	-	-
Lottery Prizes	-	-	-
Employee/Participation Benefit Payments	-	-	-
Claims and Judgments	-	-	-
Other Expenses	355,067.94	7,449,708.00	7,804,775.94
Total Operating Expenses	<u>891,684.01</u>	<u>29,723,852.00</u>	<u>30,615,536.01</u>
Operating Income (Loss)	<u>(295,761.21)</u>	<u>(6,502,903.00)</u>	<u>(6,798,664.21)</u>

TEXAS DEPARTMENT OF AGRICULTURE
Exhibit K-2 — Combining Statement of Revenues, Expenses and Changes in Net Position —
Discretely Presented Component Units
For the Fiscal Year Ended August 31, 2020

	Texas Agricultural Fund (0683) U/F (0683)	TX Boll Weevil Eradication Foundation (3152) U/F (5998)	Totals
NONOPERATING REVENUE (EXPENSES)**			
Federal Revenue (PR)	-	-	-
Federal Grant Pass-Through Revenue (PR)	-	-	-
State Grant Pass-Through Revenue (PR)	-	-	-
Gifts, Pledges and Donations (PR)	-	-	-
Investment Income (Expense) (GR)	348,544.55	1,551,821.00	1,900,365.55
Loan Prem/Fees Securities	-	-	-
Investing Activities Expenses	-	-	-
Interest Expenses and Fiscal Charges	-	-	-
Borrow Rebates & Agent Fees	-	-	-
Gain (Loss) on Sale of Capital Assets	-	118,690.00	118,690.00
Inc (Dec) in Net Assets Due to Interagency Transfer of CA	-	-	-
Net Increase (Decrease) in Fair Value (GR)	-	-	-
Settlement of Claims (GR)	-	-	-
Other Nonoperating Revenues (Expenses)	-	-	-
Total Other Nonoperating Revenues (Expenses)	348,544.55	1,670,511.00	2,019,055.55
Income (Loss) Before Capital Contributions, Endowments and Transfers	52,783.34	(4,832,392.00)	(4,779,608.66)
CAPITAL CONTRIBUTIONS, ENDOWMENTS AND TRANSFERS			
Capital Contributions	-	-	-
Special Items	-	-	-
Extraordinary Items	-	-	-
Transfer In	-	-	-
Transfer Out	-	-	-
Total Capital Contributions, Endowments and Transfers	-	-	-
Change in Net Position	52,783.34	(4,832,392.00)	(4,779,608.66)
Net Position, September 1, 2019	19,026,760.77	119,402,721.00	138,429,481.77
Restatements	-	-	-
Net Position, September 1, 2019, as Restated	19,026,760.77	119,402,721.00	138,429,481.77
Net Position, August 31, 2020	\$ 19,079,544.11	\$ 114,570,329.00	\$ 133,649,873.11

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**SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS**

State of Texas - Annual Financial Report

Schedule of Expenditures of Federal Awards

(SEFA)

Agency 551 - Department of Agriculture
 Schedule 1A
 For the Fiscal Year Ended August 31, 2020

Certified

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ <i>Identifying Number</i>	Agy/ Univ No	Pass-through From		Direct Program Amount	Total PT From and Direct Prog. Amount
				Pass-Through From Agencies o r Universities Amount	Pass-Through From Non-State Entities Amount		
Environmental Protection Agency							
<u>Direct Programs:</u>							
Multipurpose Grants to States and Tribes	66.204					18,925.27	18,925.27
Consolidated Pesticide Enforcement Cooperative Agreements	66.700					917,572.71	917,572.71
Totals - Environmental Protection Agency				0	0	936,497.98	936,497.98
Small Business Administration							
<u>Direct Programs:</u>							
State Trade Expansion	59.061					345,031.75	345,031.75
State Trade Expansion	59.061					27,430.65	27,430.65
<i>Pass-Through To:</i>							
<i>Governor - Fiscal</i>							
Totals - Small Business Administration				0	0	372,462.40	372,462.40
U.S. Department of Agriculture							
<u>Direct Programs:</u>							
Plant and Animal Disease, Pest Control, and Animal Care	10.025					1,245,787.92	1,245,787.92
Biofuel Infrastructure Partnership	10.117					17,745.11	17,745.11
Market News	10.153					3,400.00	3,400.00
Market Protection and Promotion	10.163					1,069,332.05	1,069,332.05
Specialty Crop Block Grant Program - Farm Bill	10.170					1,200,829.49	1,200,829.49
Specialty Crop Block Grant Program - Farm Bill	10.170					143,013.15	143,013.15
<i>Pass-Through To:</i>							
<i>Texas A&M AgriLife Extension Service</i>							
Specialty Crop Block Grant Program - Farm Bill	10.170					231,461.06	231,461.06
<i>Pass-Through To:</i>							
<i>Texas A&M AgriLife Research</i>							
Organic Certification Cost Share Programs	10.171					37,263.85	37,263.85
CACFP Training Grants	10.536					42,304.76	42,304.76
Child and Adult Care Food Program	10.558					299,096,102.71	299,096,102.71
COVID-19 - Child and Adult Care Food Program	10.558					124,389,630.77	124,389,630.77
Child and Adult Care Food Program	10.558					47,001.82	47,001.82
<i>Pass-Through To:</i>							
<i>University of Texas at Austin</i>							
Child and Adult Care Food Program	10.558					47,620.59	47,620.59
<i>Pass-Through To:</i>							
<i>Texas Tech University</i>							
Child and Adult Care Food Program	10.558					20,313.15	20,313.15
<i>Pass-Through To:</i>							
<i>University of Texas at San Antonio</i>							
Child and Adult Care Food Program	10.558					20,272.03	20,272.03

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	Agy/ Univ No.	Pass-through To		Expenditures Amount	Total PT To and Expenditures Amount
			Pass-Through To Agencies or Universities Amount	Pass-Through To Non- State Entities Amount		
Environmental Protection Agency						
<u>Direct Programs:</u>						
Multipurpose Grants to States and Tribes	66.204				18,925.27	18,925.27
Consolidated Pesticide Enforcement Cooperative Agreements	66.700				917,572.71	917,572.71
Totals - Environmental Protection Agency			0	0	936,497.98	936,497.98
Small Business Administration						
<u>Direct Programs:</u>						
State Trade Expansion	59.061			331,922.84	13,108.91	345,031.75
State Trade Expansion	59.061					27,430.65
<i>Pass-Through To:</i>						
<i>Governor - Fiscal</i>		300	27,430.65			
Totals - Small Business Administration			27,430.65	331,922.84	13,108.91	372,462.40
U.S. Department of Agriculture						
<u>Direct Programs:</u>						
Plant and Animal Disease, Pest Control, and Animal Care	10.025				1,245,787.92	1,245,787.92
Biofuel Infrastructure Partnership	10.117				17,745.11	17,745.11
Market News	10.153				3,400.00	3,400.00
Market Protection and Promotion	10.163				1,069,332.05	1,069,332.05
Specialty Crop Block Grant Program - Farm Bill	10.170			857,756.01	343,073.48	1,200,829.49
Specialty Crop Block Grant Program - Farm Bill	10.170					143,013.15
<i>Pass-Through To:</i>						
<i>Texas A&M AgriLife Extension Service</i>		555	143,013.15			
Specialty Crop Block Grant Program - Farm Bill	10.170					231,461.06
<i>Pass-Through To:</i>						
<i>Texas A&M AgriLife Research</i>		556	231,461.06			
Organic Certification Cost Share Programs	10.171			37,263.85		37,263.85
CACFP Training Grants	10.536			42,304.76		42,304.76
Child and Adult Care Food Program	10.558			295,043,342.34	4,052,760.37	299,096,102.71
COVID-19 - Child and Adult Care Food Program	10.558			124,389,630.77		124,389,630.77
Child and Adult Care Food Program	10.558					47,001.82
<i>Pass-Through To:</i>						
<i>University of Texas at Austin</i>		721	47,001.82			
Child and Adult Care Food Program	10.558					47,620.59
<i>Pass-Through To:</i>						
<i>Texas Tech University</i>		733	47,620.59			
Child and Adult Care Food Program	10.558					20,313.15
<i>Pass-Through To:</i>						
<i>University of Texas at San Antonio</i>		743	20,313.15			
Child and Adult Care Food Program	10.558					20,272.03

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ <i>Identifying Number</i>	Agy/ Univ No	Pass-through From		Direct Program Amount	Total PT From and Direct Prog. Amount
				Pass-Through From Agencies o r Universities Amount	Pass-Through From Non-State Entities Amount		
<i>Pass-Through To:</i> Texas A&M University - Commerce							
Child and Adult Care Food Program	10.558					11,875.51	11,875.51
<i>Pass-Through To:</i> Texas State University							
State Administrative Expenses for Child Nutrition	10.560					35,873,721.02	35,873,721.02
WIC Farmers' Market Nutrition Program (FMNP)	10.572					398,421.54	398,421.54
Senior Farmers Market Nutrition Program	10.576					73,355.39	73,355.39
Child Nutrition Discretionary Grants Limited Availability	10.579					4,320,054.30	4,320,054.30
Child Nutrition Discretionary Grants Limited Availability	10.579					8,481.64	8,481.64
<i>Pass-Through To:</i> Texas School for the Deaf							
Fresh Fruit and Vegetable Program	10.582					6,683,294.60	6,683,294.60
Market Access Program	10.601					10,837.93	10,837.93
Totals - U.S. Department of Agriculture						0	0
						474,992,120.39	474,992,120.39
U.S. Department of Health and Human Services							
<u>Direct Programs:</u>							
Food and Drug Administration Research	93.103					1,430,024.16	1,430,024.16
Food and Drug Administration Research	93.103					40,749.27	40,749.27
<i>Pass-Through To:</i> Texas A&M AgriLife Extension Service							
Food and Drug Administration Research	93.103					94,810.22	94,810.22
<i>Pass-Through To:</i> University of Houston							
Telehealth Programs	93.211					-21,229.93	-21,229.93
Telehealth Programs	93.211					12,723.89	12,723.89
<i>Pass-Through To:</i> University of Texas at Austin							
State Rural Hospital Flexibility Program	93.241					790,108.00	790,108.00
Small Rural Hospital Improvement Grant Program	93.301					1,202,133.70	1,202,133.70
COVID-19 - Small Rural Hospital Improvement Grant Program	93.301					11,045,527.00	11,045,527.00
Grants to States for Operation of State Offices of Rural Health	93.913					139,890.04	139,890.04
Totals - U.S. Department of Health and Human Services						0	0
						14,734,736.35	14,734,736.35
U.S. Department of Housing and Urban Development							
<u>Direct Programs:</u>							
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228					63,895,967.48	63,895,967.48
Totals - U.S. Department of Housing and Urban Development						0	0
						63,895,967.48	63,895,967.48
U.S. Department of Agriculture							
<u>Direct Programs:</u>							
Trade Mitigation Program Eligible Recipient Agency Operational Funds	10.178					8,076,698.88	8,076,698.88
Totals - U.S. Department of Agriculture						0	0
						8,076,698.88	8,076,698.88
<u>Research & Development Cluster</u>							
U.S. Department of Agriculture							
<u>Direct Programs:</u>							
Specialty Crop Block Grant Program - Farm Bill	10.170					265,326.69	265,326.69
<i>Pass-Through To:</i> Texas A&M AgriLife Research							

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	Agy/ Univ No.	Pass-through To		Expenditures Amount	Total PT To and Expenditures Amount
			Pass-Through To Agencies or Universities Amount	Pass-Through To Non- State Entities Amount		
<i>Pass-Through To:</i> Texas A&M University - Commerce		751	20,272.03			
Child and Adult Care Food Program	10.558					11,875.51
<i>Pass-Through To:</i> Texas State University		754	11,875.51			
State Administrative Expenses for Child Nutrition	10.560			12,700,535.82	23,173,185.20	35,873,721.02
WIC Farmers' Market Nutrition Program (FMNP)	10.572			354,327.59	44,093.95	398,421.54
Senior Farmers Market Nutrition Program	10.576			65,652.00	7,703.39	73,355.39
Child Nutrition Discretionary Grants Limited Availability	10.579			4,320,054.30		4,320,054.30
Child Nutrition Discretionary Grants Limited Availability	10.579					8,481.64
<i>Pass-Through To:</i> Texas School for the Deaf		772	8,481.64			
Fresh Fruit and Vegetable Program	10.582			6,683,294.60		6,683,294.60
Market Access Program	10.601				10,837.93	10,837.93
Totals - U.S. Department of Agriculture			530,038.95	444,494,162.04	29,967,919.40	474,992,120.39
U.S. Department of Health and Human Services						
Direct Programs:						
Food and Drug Administration Research	93.103				1,430,024.16	1,430,024.16
Food and Drug Administration Research	93.103					40,749.27
<i>Pass-Through To:</i> Texas A&M AgriLife Extension Service		555	40,749.27			
Food and Drug Administration Research	93.103					94,810.22
<i>Pass-Through To:</i> University of Houston		730	94,810.22			
Telehealth Programs	93.211			-24,313.88	3,083.95	-21,229.93
Telehealth Programs	93.211					12,723.89
<i>Pass-Through To:</i> University of Texas at Austin		721	12,723.89			
State Rural Hospital Flexibility Program	93.241				790,108.00	790,108.00
Small Rural Hospital Improvement Grant Program	93.301			979,505.14	222,628.56	1,202,133.70
COVID-19 - Small Rural Hospital Improvement Grant Program	93.301			11,045,527.00		11,045,527.00
Grants to States for Operation of State Offices of Rural Health	93.913				139,890.04	139,890.04
Totals - U.S. Department of Health and Human Services			148,283.38	12,000,718.26	2,585,734.71	14,734,736.35
U.S. Department of Housing and Urban Development						
Direct Programs:						
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228			62,006,022.39	1,889,945.09	63,895,967.48
Totals - U.S. Department of Housing and Urban Development			0	62,006,022.39	1,889,945.09	63,895,967.48
U.S. Department of Agriculture						
Direct Programs:						
Trade Mitigation Program Eligible Recipient Agency Operational Funds	10.178			8,076,698.88		8,076,698.88
Totals - U.S. Department of Agriculture			0	8,076,698.88	0	8,076,698.88
Research & Development Cluster						
U.S. Department of Agriculture						
Direct Programs:						
Specialty Crop Block Grant Program - Farm Bill	10.170					265,326.69
<i>Pass-Through To:</i> Texas A&M AgriLife Research		556	265,326.69			

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ <i>Identifying Number</i>	Agy/ Univ No	Pass-through From		Direct Program Amount	Total PT From and Direct Prog. Amount
				Pass-Through From Agencies o r Universities Amount	Pass-Through From Non-State Entities Amount		
Totals - U.S. Department of Agriculture				0	0	265,326.69	265,326.69

Child Nutrition Cluster
U.S. Department of Agriculture

Direct Programs:

School Breakfast Program	10.553					2,835,850.73	2,835,850.73
COVID-19 - School Breakfast Program	10.553					553,399.05	553,399.05
School Breakfast Program	10.553					42,961.60	42,961.60
<i>Pass-Through To:</i>							
<i>Texas Military Department</i>							
School Breakfast Program	10.553					646,185.52	646,185.52
<i>Pass-Through To:</i>							
<i>Texas Juvenile Justice Department</i>							
School Breakfast Program	10.553					7,958.04	7,958.04
<i>Pass-Through To:</i>							
<i>University of Texas at Dallas</i>							
School Breakfast Program	10.553					14,310.84	14,310.84
<i>Pass-Through To:</i>							
<i>Texas School for the Blind and Visually Impaired</i>							
School Breakfast Program	10.553					39,160.51	39,160.51
<i>Pass-Through To:</i>							
<i>Texas School for the Deaf</i>							
National School Lunch Program	10.555					5,790,455.67	5,790,455.67
National School Lunch Program	10.555					191,881,253.85	191,881,253.85
(Non-monetary)							
COVID-19 - National School Lunch Program	10.555					1,087,879.85	1,087,879.85
National School Lunch Program	10.555					66,636.50	66,636.50
<i>Pass-Through To:</i>							
<i>Texas Military Department</i>							
National School Lunch Program	10.555					192,011.23	192,011.23
(Non-monetary)							
<i>Pass-Through To:</i>							
<i>Texas Juvenile Justice Department</i>							
National School Lunch Program	10.555					1,019,203.90	1,019,203.90
<i>Pass-Through To:</i>							
<i>Texas Juvenile Justice Department</i>							
National School Lunch Program	10.555					8,247.85	8,247.85
(Non-monetary)							
<i>Pass-Through To:</i>							
<i>University of Texas at Austin</i>							
National School Lunch Program	10.555					18,288.73	18,288.73
<i>Pass-Through To:</i>							
<i>University of Texas at Dallas</i>							
National School Lunch Program	10.555					14,795.88	14,795.88
(Non-monetary)							

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	Agy/ Univ No.	Pass-through To		Expenditures Amount	Total PT To and Expenditures Amount
			Pass-Through To Agencies or Universities Amount	Pass-Through To Non- State Entities Amount		
Totals - U.S. Department of Agriculture			265,326.69	0	0	265,326.69
Child Nutrition Cluster						
U.S. Department of Agriculture						
Direct Programs:						
School Breakfast Program	10.553			2,835,850.73		2,835,850.73
COVID-19 - School Breakfast Program	10.553			553,399.05		553,399.05
School Breakfast Program	10.553					42,961.60
<i>Pass-Through To:</i>						
<i>Texas Military Department</i>		401	42,961.60			
School Breakfast Program	10.553					646,185.52
<i>Pass-Through To:</i>						
<i>Texas Juvenile Justice Department</i>		644	646,185.52			
School Breakfast Program	10.553					7,958.04
<i>Pass-Through To:</i>						
<i>University of Texas at Dallas</i>		738	7,958.04			
School Breakfast Program	10.553					14,310.84
<i>Pass-Through To:</i>						
<i>Texas School for the Blind and Visually Impaired</i>		771	14,310.84			
School Breakfast Program	10.553					39,160.51
<i>Pass-Through To:</i>						
<i>Texas School for the Deaf</i>		772	39,160.51			
National School Lunch Program	10.555			5,790,455.67		5,790,455.67
National School Lunch Program (Non-monetary)	10.555			191,881,253.85		191,881,253.85
COVID-19 - National School Lunch Program	10.555			1,087,879.85		1,087,879.85
National School Lunch Program	10.555					66,636.50
<i>Pass-Through To:</i>						
<i>Texas Military Department</i>		401	66,636.50			
National School Lunch Program (Non-monetary)	10.555					192,011.23
<i>Pass-Through To:</i>						
<i>Texas Juvenile Justice Department</i>		644	192,011.23			
National School Lunch Program	10.555					1,019,203.90
<i>Pass-Through To:</i>						
<i>Texas Juvenile Justice Department</i>		644	1,019,203.90			
National School Lunch Program (Non-monetary)	10.555					8,247.85
<i>Pass-Through To:</i>						
<i>University of Texas at Austin</i>		721	8,247.85			
National School Lunch Program	10.555					18,288.73
<i>Pass-Through To:</i>						
<i>University of Texas at Dallas</i>		738	18,288.73			
National School Lunch Program (Non-monetary)	10.555					14,795.88

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ <i>Identifying Number</i>	Agy/ Univ No	Pass-through From		Direct Program Amount	Total PT From and Direct Prog. Amount
				Pass-Through From Agencies o r Universities Amount	Pass-Through From Non-State Entities Amount		
<i>Pass-Through To: University of Texas at Dallas</i>							
National School Lunch Program <i>Pass-Through To: Texas School for the Blind and Visually Impaired</i>	10.555					31,128.74	31,128.74
National School Lunch Program (Non-monetary) <i>Pass-Through To: Texas School for the Blind and Visually Impaired</i>	10.555					4,661.28	4,661.28
National School Lunch Program <i>Pass-Through To: Texas School for the Deaf</i>	10.555					157,443.92	157,443.92
National School Lunch Program (Non-monetary) <i>Pass-Through To: Texas School for the Deaf</i>	10.555					45,089.77	45,089.77
Special Milk Program for Children	10.556					3,239.22	3,239.22
Summer Food Service Program for Children (Non-monetary)	10.559					27,966.72	27,966.72
Summer Food Service Program for Children	10.559					82,960,911.45	82,960,911.45
COVID-19 - Summer Food Service Program for Children	10.559					58,084,362.06	58,084,362.06
Summer Food Service Program for Children <i>Pass-Through To: University of Texas at Arlington</i>	10.559					6,359.92	6,359.92
Summer Food Service Program for Children <i>Pass-Through To: University of Texas at San Antonio</i>	10.559					11,105.04	11,105.04
Totals - U.S. Department of Agriculture						0	0
						345,550,867.87	345,550,867.87
Food Distribution Cluster							
U.S. Department of Agriculture							
Direct Programs:							
Commodity Supplemental Food Program (Non-monetary)	10.565					20,172,727.00	20,172,727.00
Commodity Supplemental Food Program	10.565					5,362,091.79	5,362,091.79
Emergency Food Assistance Program (Administrative Costs)	10.568					11,413,453.38	11,413,453.38
COVID-19 - Emergency Food Assistance Program (Administrative Costs)	10.568					8,285,219.19	8,285,219.19
Emergency Food Assistance Program (Food Commodities) (Non-monetary)	10.569					180,938,116.49	180,938,116.49
Emergency Food Assistance Program (Food Commodities)	10.569					856,039.80	856,039.80
COVID-19 - Emergency Food Assistance Program (Food Commodities) (Non-monetary)	10.569					13,332,589.47	13,332,589.47
Totals - U.S. Department of Agriculture						0	0
						240,360,237.12	240,360,237.12
Total Expenditures of Federal Awards						0	0
						1,149,184,915.16	1,149,184,915.16

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	Agy/ Univ No.	Pass-through To		Expenditures Amount	Total PT To and Expenditures Amount
			Pass-Through To Agencies or Universities Amount	Pass-Through To Non- State Entities Amount		
<i>Pass-Through To:</i> University of Texas at Dallas		738	14,795.88			
National School Lunch Program <i>Pass-Through To:</i> Texas School for the Blind and Visually Impaired	10.555	771	31,128.74			31,128.74
National School Lunch Program (Non-monetary) <i>Pass-Through To:</i> Texas School for the Blind and Visually Impaired	10.555	771	4,661.28			4,661.28
National School Lunch Program <i>Pass-Through To:</i> Texas School for the Deaf	10.555	772	157,443.92			157,443.92
National School Lunch Program (Non-monetary) <i>Pass-Through To:</i> Texas School for the Deaf	10.555	772	45,089.77			45,089.77
Special Milk Program for Children	10.556			3,239.22		3,239.22
Summer Food Service Program for Children (Non-monetary)	10.559			27,966.72		27,966.72
Summer Food Service Program for Children	10.559			82,488,620.03	472,291.42	82,960,911.45
COVID-19 - Summer Food Service Program for Children	10.559			58,084,362.06		58,084,362.06
Summer Food Service Program for Children <i>Pass-Through To:</i> University of Texas at Arlington	10.559	714	6,359.92			6,359.92
Summer Food Service Program for Children <i>Pass-Through To:</i> University of Texas at San Antonio	10.559	743	11,105.04			11,105.04
Totals - U.S. Department of Agriculture			2,325,549.27	342,753,027.18	472,291.42	345,550,867.87
Food Distribution Cluster						
U.S. Department of Agriculture						
Direct Programs:						
Commodity Supplemental Food Program (Non-monetary)	10.565			20,172,727.00		20,172,727.00
Commodity Supplemental Food Program	10.565			5,346,356.88	15,734.91	5,362,091.79
Emergency Food Assistance Program (Administrative Costs)	10.568			11,363,839.86	49,613.52	11,413,453.38
COVID-19 - Emergency Food Assistance Program (Administrative Costs)	10.568			8,285,219.19		8,285,219.19
Emergency Food Assistance Program (Food Commodities) (Non-monetary)	10.569			180,938,116.49		180,938,116.49
Emergency Food Assistance Program (Food Commodities)	10.569			856,039.80		856,039.80
COVID-19 - Emergency Food Assistance Program (Food Commodities) (Non-monetary)	10.569			13,332,589.47		13,332,589.47
Totals - U.S. Department of Agriculture			0	240,294,888.69	65,348.43	240,360,237.12
Total Expenditures of Federal Awards			3,296,628.94	1,109,957,440.28	35,930,845.94	1,149,184,915.16

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Schedule of Expenditures of Federal Awards (Notes)

Agency 551 - Department of Agriculture
 Schedule 1A
 For the Fiscal Year Ended August 31, 2020
*****Certified*****

NOTE 1: NonMonetary Assistance

The Food Distribution Program of the National School Lunch Program is presented at the federally assigned value of the commodities distributed. These are received from the U.S. Department of Agriculture (Federal CFDA Number 10.555). The estimated dollar value for the current fiscal year was \$192,146,059.86.

The Food Distribution Program of the Summer Food Service Program is presented at the federally assigned value of the commodities distributed. These are received from the U.S. Department of Agriculture (Federal CFDA Number 10.559). The estimated dollar value for the current fiscal year was \$27,966.72.

The Food Distribution Program of the Emergency Food Program is presented at the federally assigned value of the commodities distributed. These are received from the U.S. Department of Agriculture (Federal CFDA Number 10.569). The estimated dollar value for the current fiscal year was \$194,270,705.96.

The Food Distribution Program of the Commodity Supplemental Program is presented at the federally assigned value of the commodities distributed. These are received from the U.S. Department of Agriculture (Federal CFDA Number 10.565). The estimated dollar value for the current fiscal year was \$20,172,727.00.

NOTE 2: Reconciliation

Below is a reconciliation of the total federal pass-through and federal expenditures as reported on the Schedule of Federal Financial Assistance to the total federal revenues and federal grant 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 Governmental Operation Statement/Statement of Activities and Proprietary Statements of Changes in Revenues, Expenses and Net Assets

Governmental Funds	- Federal Revenue (Exh II)	742,567,455.62
	- Federal Pass-Through Revenue (Exh II)	0.00

Subtotal Federal Revenue 742,567,455.62

RECONCILING ITEMS:

Non-monetary Items:		
National School Lunch	CFDA 10.555	192,146,059.86
Summer Food Service Program	CFDA 10.559	27,966.72
Emergency Food Assistance Program	CFDA 10.569	194,270,705.96
Commodity Supplemental Program	CFDA 10.565	20,172,727.00
Subtotal Non-monetary Items		406,617,459.54

Total Pass Through and Expenditures		
per Federal Schedule	\$	1,149,184,915.16

NOTE 3: Student Loans Processed and Administrative Cost Recovered

NOT APPLICABLE

NOTE 4: Depository Libraries for Governmental Publications

NOT APPLICABLE

NOTE 5: Unemployment Insurance Funds (Agency 320 only)

NOT APPLICABLE

NOTE 6: Agency 501 Only (WIC Program)

NOT APPLICABLE

NOTE 7: Federal Deferred Revenue

CFDA No.	CFDA Title	Fed Deferred Revenue 09/01/19	Inc/(Dec)	Fed Deferred Revenue 08/31/20
10.025	Plant & Animal Disease, Pest Control, & Animal Care	84,249.31	(1,126.81)	83,122.50
10.153	Market News	10,817.12	-	10,817.12
10.156	Federal-State Marketing Improvement Program	5.16	-	5.16
10.163	Market Protection and Promotion	-	27,857.36	27,857.36
10.170	Specialty Crop Block Grant Program - Farm Bill	-	9,102.66	9,102.66
10.178	TEFAP Trade Mitigation	1,801,434.01	(1,266,698.88)	534,735.13
10.558	Child & Adult Care	280,144.95	30,992,615.45	31,272,760.40
10.559	Summer Food Service Program for Children	-	10,533,683.42	10,533,683.42
10.560	CNP - SAE 10.560	12,612.25	-	12,612.25
10.572	WIC Farmers' Market Nutrition Program (FMNP)	-	69,656.07	69,656.07
10.579	Child Nutrition Discretionary	4,871.22	27,953.20	32,824.42
10.582	Fruit and Vegetable Program	114,551.96	(0.00)	114,551.96
14.228	Community Development Block Grant	3,209,274.51	1,919,265.02	5,128,539.53
11.477	Fisheries Disaster Relief	250.35	-	250.35
93.301	Small Rural Hospital Improvement Grant Program	-	295.46	295.46
93.913	Grants to State for Operation of Offcs	-	12,204.65	12,204.65
TOTAL DEFERRED REVENUE		5,518,210.84	42,324,807.60	47,843,018.44

Explain why the deferred revenue is reported:

Federal funds were advanced to Texas Department of Agriculture

NOTE 8: Supplemental Nutrition Assistance Program (Agency 529 only)

NOT APPLICABLE

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DEPARTMENT OF AGRICULTURE (551)
Schedule 1B
Schedule of State Grant Pass-Throughs From/To State Agencies
For the Year Ended August 31, 2020

Pass-through From	Grant ID	Agency Number	Amount
			-
Total Pass-Through from Other Agencies (Exh. II):			-
Pass-through To	Grant ID	Agency Number	Amount
US-18-010 Urban Schools Agricultural Grant Program	551.0001		
TEXAS A&M AGRILIFE EXTENSION SERVICE		555	5,541.73
			5,541.73
E3E-16-036 Establishing the 3Es (E3E)	551.004		
TARLETON STATE UNIVERSITY		713	4,165.49
TEXAS TECH UNIVERSITY		733	123,812.66
			127,978.15
US-17-01 Urban Schools Agricultural Grant Program	551.0043		
TEXAS A&M AGRILIFE EXTENSION SERVICE		555	281,282.72
			281,282.72
CDBG GR Match TDHCA Colonia SHC	551.0044		
TX DEPT OF HOUSING & COMMUNITY AFFAIRS		332	30,345.10
			30,345.10
Pesticide Outreach and Education Improvement Project - First	551.0048		
TARLETON STATE UNIVERSITY		713	96,555.92
			96,555.92
Total Pass-Through to Other Agencies (Exh. II):			541,703.62



TEXAS DEPARTMENT OF AGRICULTURE
COMMISSIONER SID MILLER

**Annual Financial Report
For the Year Ended August 31, 2020**