



November 2020
SFR-45/20

Annual Financial Report

Fiscal Year Ended August 31, 2020

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Fiscal Year Ended August 31, 2020

Prepared by
Financial Administration Division

SFR-45/20
November 2020

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Jon Niermann, *Chairman*
Emily Lindley, *Commissioner*
Bobby Janecka, *Commissioner*

Toby Baker, *Executive Director*

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TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

November 16, 2020

The Honorable Greg Abbott, Governor
The Honorable Glenn Hegar, Texas Comptroller
John McGeady, Director, Legislative Budget Board
Lisa Collier, First Assistant State Auditor

Ladies and Gentlemen:

We are pleased to submit the annual financial report of the Texas Commission on Environmental Quality for the year ended August 31, 2020, in compliance with Texas Government Code Annotated, §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 (GASB) 34, 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, please contact Mr. Greg Yturralde, CPA at 512-239-1952.

Sincerely,

A handwritten signature in black ink, appearing to read "Toby Baker".

Toby Baker
Executive Director

C O M B I N E D

F I N A N C I A L

S T A T E M E N T S

-UNAUDITED-

**EXHIBIT I
COMBINED BALANCE SHEET / STATEMENT OF
NET POSITION - Governmental Funds
August 31, 2020**

	Governmental Fund Type General Funds (Exh. A-1)	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Other Adjustments	Statement of Net Position
Assets					
Current Assets:					
Cash in Bank	\$ 50.00	\$	\$	\$	\$ 50.00
Cash in State Treasury	2,681,000,965.76				2,681,000,965.76
Cash Equivalents	80,978,136.06				80,978,136.06
Legislative Appropriations	25,088,615.85				25,088,615.85
Receivables From:					
Federal	6,065,559.85				6,065,559.85
A/R - Licenses, Fees, & Permits	2,316,056.97				2,316,056.97
Due From Other Agencies	2,139,729.94				2,139,729.94
Consumable Inventories	205,422.87				205,422.87
Total Current Assets	\$ 2,797,794,537.30	\$	\$	\$	\$ 2,797,794,537.30
Non - Current Assets:					
Capital Assets:					
Non-Depreciable or Non-Amortizable					
Land and Land Improvements	\$	\$ 20.00	\$	\$	\$ 20.00
Construction in Progress		8,718,708.98			8,718,708.98
Depreciable					
Buildings and Building Improvements		6,763,627.21			6,763,627.21
Less - Accumulated Depreciation		(3,904,141.98)			(3,904,141.98)
Furniture and Equipment		58,160,536.67			58,160,536.67
Less - Accumulated Depreciation		(45,973,427.93)			(45,973,427.93)
Vehicles, Boats, & Aircraft		12,216,031.21			12,216,031.21
Less - Accumulated Depreciation		(7,640,863.87)			(7,640,863.87)
Computer Software - Intangible		12,672,543.24			12,672,543.24
Less Accumulated Amortization		(12,672,543.24)			(12,672,543.24)
Total Non Current Assets	\$	\$ 28,340,490.29	\$	\$	\$ 28,340,490.29
Total Assets	\$ 2,797,794,537.30	\$ 28,340,490.29	\$	\$	\$ 2,826,135,027.59

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

-UNAUDITED-

	Governmental Fund Type General Funds (Exh. A-1)	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Other Adjustments	Statement of Net Position
Liabilities					
Current Liabilities:					
Payables from:					
Accounts Payable	\$ 22,297,854.03	\$	\$	\$	\$ 22,297,854.03
Payroll Payable	18,306,589.82				18,306,589.82
Contracts Retainage Payable	1,052,302.79				1,052,302.79
Due to Other Agencies	4,244,383.90				4,244,383.90
Employees Compensable Leave (Note 5)			11,865,554.80		11,865,554.80
Pollution Remediation Obligations (Note 5)			30,354,372.84		30,354,372.84
Total Current Liabilities	<u>\$ 45,901,130.54</u>	<u>\$</u>	<u>\$ 42,219,927.64</u>	<u>\$</u>	<u>\$ 88,121,058.18</u>
Non-Current Liabilities:					
Employees' Compensable Leave (Note 5)	\$	\$	\$ 8,323,629.91	\$	\$ 8,323,629.91
Pollution Remediation Obligations (Note 5)			206,463,607.38		206,463,607.38
Total Non-Current Liabilities	<u>\$</u>	<u>\$</u>	<u>\$ 214,787,237.29</u>	<u>\$</u>	<u>\$ 214,787,237.29</u>
Total Liabilities	<u>\$ 45,901,130.54</u>	<u>\$</u>	<u>\$ 257,007,164.93</u>	<u>\$</u>	<u>\$ 302,908,295.47</u>
Fund Financial Statement					
Fund Balances:					
Nonspendable	\$ 205,422.87	\$	\$	\$	\$ 205,422.87
Restricted	80,950,018.89				80,950,018.89
Committed	2,648,243,590.63				2,648,243,590.63
Assigned	378,659.01				378,659.01
Unassigned	22,115,715.36				22,115,715.36
Total Fund Balances	<u>\$ 2,751,893,406.76</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 2,751,893,406.76</u>
Total Liabilities and Fund Balances	<u>\$ 2,797,794,537.30</u>	<u>\$</u>	<u>\$ 257,007,164.93</u>	<u>\$</u>	<u>\$ 3,054,801,702.23</u>
Government-Wide Statement of Net Position					
Net Position:					
Invested in Capital Assets, Net of Related Debt	\$ 28,340,490.29	\$	\$	\$	\$ 28,340,490.29
Unrestricted			(257,007,164.93)		(257,007,164.93)
Total Net Position	<u>\$ 28,340,490.29</u>	<u>\$</u>	<u>\$ (257,007,164.93)</u>	<u>\$</u>	<u>\$ (228,666,674.64)</u>

-UNAUDITED-

EXHIBIT II
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Statement of Activities - Governmental Funds
For the Year Ended August 31, 2020

	General Funds (Exh. A-2)	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Other Adjustments	Statement of Activities
Revenues					
Legislative Appropriations:					
Original Appropriations	\$ 25,645,325.00	\$	\$	\$	\$ 25,645,325.00
Additional Appropriations	2,618,299.39				2,618,299.39
Taxes	94,032,151.42				94,032,151.42
Federal Revenues	48,419,868.85				48,419,868.85
Federal Pass-Through Revenues	11,170,933.22				11,170,933.22
State Grant Pass-Through Revenues	-				-
Licenses, Fees and Permits	313,003,601.84				313,003,601.84
Interest & Investment Income	718,649.53				718,649.53
Settlement of Claims	5,622,008.03				5,622,008.03
Sales of Goods and Services	81,178.89				81,178.89
Other	1,663,744.04				1,663,744.04
Total Revenues	\$ 502,975,760.21	\$	\$	\$	\$ 502,975,760.21
Expenditures					
Salaries and Wages	\$ 166,571,190.59	\$	\$ (2,589,829.35)	\$	\$ 163,981,361.24
Payroll Related Costs	63,990,909.13				63,990,909.13
Professional Fees and Services	89,109,339.21				89,109,339.21
Travel	1,083,459.23				1,083,459.23
Materials and Supplies	5,875,150.92				5,875,150.92
Communications and Utilities	2,624,726.20				2,624,726.20
Repairs and Maintenance	2,686,003.07				2,686,003.07
Rentals and Leases	7,177,241.54				7,177,241.54
Printing and Reproduction	245,596.57				245,596.57
Claims and Judgements	262,714.78				262,714.78
Federal Pass-Through Expenditures	10,144,275.56				10,144,275.56
State Grant Pass-Through Expenditures	(44,827,176.89)				(44,827,176.89)
Intergovernmental Payments	(8,658,496.07)				(8,658,496.07)
Public Assistance Programs	88,621.38				88,621.38
Other Expenditures	36,692,102.40				36,692,102.40
Capital Outlay	8,909,163.61	(8,909,163.61)			-
Depreciation Expense		4,262,384.68			4,262,384.68
Total Expenditures	\$ 341,974,821.23	\$ (4,646,778.93)	\$ (2,589,829.35)	\$	\$ 334,738,212.95
Excess (Deficiency) of Revenues over Expenditures	\$ 161,000,938.98	\$ 4,646,778.93	\$ 2,589,829.35	\$	\$ 168,237,547.26
Other Financing Sources (Uses)					
Transfers In	\$ 140,729,462.57	\$	\$	\$	\$ 140,729,462.57
Transfers Out	(15,393,569.31)	(10,902.79)			(15,404,472.10)
Net Change in Pollution Remediation Obligation			(17,707,515.66)		(17,707,515.66)
Insurance Recoveries	11,640.30	(11,640.30)			-
Sale of Capital Assets	79,216.25	(79,216.25)			-
Gain on Capital Assets		85,297.18			85,297.18
Increase in Net Assets Due to Interagency Transfer					-
Decrease in Net Assets Due to Interagency Transfer					-
Total Other Financing Sources (Uses)	\$ 125,426,749.81	\$ (16,462.16)	\$ (17,707,515.66)	\$	\$ 107,702,771.99
Net Change in Fund Balances/Net Position	\$ 286,427,688.79	\$ 4,630,316.77	\$ (15,117,686.31)	\$	\$ 275,940,319.25
Fund Financial Statement - Fund Balances					
Fund Balances - Beginning	\$ 2,465,543,525.62	\$	\$	\$	\$ 2,465,543,525.62
Restatements - (Note 14)	-				-
Fund Balances, as Restated	2,465,543,525.62				2,465,543,525.62
Appropriations Lapsed	(77,807.65)				(77,807.65)
Fund Balances - August 31, 2020	\$ 2,751,893,406.76	\$	\$	\$	\$ 2,751,893,406.76
Government-Wide Statement of Net Position					
Net Change in Net Position		\$ 4,630,316.77	\$ (15,117,686.31)	\$	\$ (10,487,369.54)
Net Position, September 1, 2019		\$ 23,936,431.98	\$ 272,124,851.24	\$	\$ 296,061,283.22
Restatement (Note 14)		(226,258.46)			(226,258.46)
Net Position, September 1, 2019, as Restated		\$ 23,710,173.52	\$ 272,124,851.24	\$	\$ 295,835,024.76
Net Position, August 31, 2020		\$ 28,340,490.29	\$ 257,007,164.93	\$	\$ 285,347,655.22

-UNAUDITED-

EXHIBIT VI
COMBINED STATEMENT OF FIDUCIARY NET POSITION
August 31, 2020

	Agency Funds <u>(Exhibit J-1)</u>
Assets	
Current Assets:	
Cash in State Treasury	\$ 18,609.72
Cash Equivalents	<u>20,646,207.12</u>
Total Current Assets	\$ <u>20,664,816.84</u>
 Total Assets	 \$ <u>20,664,816.84</u>
 Liabilities	
Current Liabilities:	
Funds Held for Others	\$ <u>20,664,816.84</u>
Total Current Liabilities	\$ <u>20,664,816.84</u>
 Total Liabilities	 \$ <u>20,664,816.84</u>
 Net Position	
Net Position:	\$ <u>-</u>
Total Net Position	\$ <u><u>-</u></u>

**NOTES TO THE
FINANCIAL
STATEMENTS**

NOTES TO THE FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies

Entity

The Texas Commission on Environmental Quality (TCEQ) 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 Annual Financial Reports of State Agencies and Universities.

In accordance with Senate Bill 2, Acts of the 72nd Legislature First Called Session, Subchapter B, the state's environmental protection functions were consolidated within the TCEQ. The TCEQ operates as a regulatory agency to implement the provisions of the constitution and laws of the state and strives to protect our state's human and natural resources consistent with sustainable economic development.

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

Component Units

The TCEQ does not have any component units.

Fund Structure

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

Governmental Fund Types and Government-Wide Adjustment Fund Types

General Revenue Funds

General Revenue Fund (0001) - The general revenue fund is used to account for all financial resources of the state except those required to be accounted for in another fund. This fund accounts for legislative appropriations from the State's General Revenue Fund, and miscellaneous appropriated and unappropriated receipts. The Pollution Control Equipment Review Fee is also deposited to this fund.

Natural Resource Trustee Account (9999) - This account was created by an agreement effective July 24, 1995, between the Texas General Land Office, the Texas Parks and Wildlife Department, the TCEQ and the State Treasurer (Comptroller) specifically as a joint repository for Natural Resource Damages (NRD) settlement funds. By federal statute (42 USC 9607 Comprehensive Environmental Response Compensation and Liability Act and 33 USC 2706 Oil Pollution Act) the NRD settlement funds can be used only for restoration of natural resources affected by releases of oil or hazardous substances. Pursuant to these statutes, NRD settlement funds must be placed in a revolving, interest bearing account and must be available without further appropriation. Under the agreement, all transactions must be jointly authorized by all three agencies. For these reasons, these funds are kept separate from the agency's operating budget. TCEQ is given the primary responsibility for implementing the constitution and laws of the state relating to the conservation of natural resources and the protection of the

environment. For this reason, it was determined that the TCEQ would report the Natural Resource Trustee Account.

Low Level Radioactive Waste Fund (0088) - The passage of H.B. 1567 by the 78th Legislature provided for the licensing of a low-level radioactive waste disposal site in Texas and established procedures to accept and evaluate license applications. The bill allows a proposed disposal facility to accept compact waste (waste from Texas and Vermont or waste that has been approved for importation to this state by the Compact Commission) and to accept federal facility waste at a separate and adjacent facility under one TCEQ license.

Used Oil Recycling Account (0146) - The Used Oil Recycling Account is established in the State Treasury. The account consists of fees collected by the State Comptroller from the sale of automotive oil, who subsequently transfers the fees to the TCEQ pursuant to the provisions of Health and Safety Code, Chapter 371. This fund was inactivated during FY19 and the entire revenues were transferred to the Water Resource Management Account (0153).

Clean Air Account (0151) - The Clean Air Account is established in the State Treasury to receive Clean Air Act fees. Fees in the account are used to safeguard the air resources of the state. Fees deposited to this fund include the Motor Vehicle Safety Fee, the Air Inspection Fee, and the Air Permit Fee.

Water Resource Management Account (0153) - This account receives waste treatment inspection fees, recovery of costs to protect water resources, administer water quality programs, water supply system owner fees, assessments on public utilities, certification of boat sewage disposal devices, and other application and permit fees and penalties. Also receives fees collected for used oil registration and sale of automotive oil, gifts, grants donations and penalties and interest. This account is used to support and administer the TCEQ water quality programs and the used oil recycling programs.

Watermaster Administration Account (0158) This account derives revenue from assessments paid by the holders of water rights in the Lower Rio Grande river basin, the Concho river basin, the Lower Brazos River Basin, and river basins in South Texas. Water rights assessments are based on the amount of budgeted operating expenditures of the Lower Rio Grande, Concho, Lower Brazos, and South Texas Watermaster Offices. The account pays the compensation and necessary expenses of the Watermaster Offices.

TCEQ Occupational Licensing Account (0468) - This account is authorized to administer the State's regulatory and licensing programs for waterworks and wastewater system operators, landscape irrigators, petroleum storage tank professionals and others.

Waste Management Account (0549) - This account receives two thirds of the fees assessed on municipal solid waste disposal in the state. In addition, it receives fees imposed on industrial solid waste disposal, hazardous waste generation, radioactive substances licensing, the Voluntary Clean-Up Program Fee, and numerous other fees. This account pays for regulation of industrial solid and hazardous waste and for related administrative costs incurred by the TCEQ.

Hazardous & Solid Waste Remediation Fee Account (0550) - This account receives revenue from fees imposed on the sale of batteries and disposal of industrial solid or hazardous waste. This account is used for the necessary removal and remedial action at sites which hazardous waste or hazardous substances have been disposed if funds from a liable party, third party or the federal government are insufficient.

Petroleum Storage Tank Remediation Account (0655) - This account receives fees assessed on the bulk delivery of petroleum products. The account may be used to pay expenses associated with the program.

License Plate Trust Fund (0802) - This account is created in the treasury for deposit of specialty license plate fees and related revenue. Dedicated balances and revenues are to be

deposited into accounts within the fund to be used in accordance with their specific statutory purpose.

Restore Act Trust Fund (0930) - This account is held outside the treasury with the comptroller. Its purpose is to receive federal money related to the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies (RESTORE) of the Gulf Coast States Act. It will be used for cleanup associated with the April 20, 2010, explosion and spill of the Deepwater Horizon oil rig in the Gulf of Mexico. Amounts are receipts from the Gulf Coast Restoration Trust Fund in the U.S. Treasury.

Solid Waste Disposal Fees Account (5000) - This account receives one third of the fees assessed on municipal solid waste disposal in the state, as well as fees on the transport and use of sludge. Revenues deposited to this account are allocated to local and regional solid waste projects.

Workplace Chemicals List (5020) - This account receives fees from facility operators for filing tier two forms relating to hazardous chemicals. Up to 20% may be used for grants to local emergency planning committees, and up to 15% to administer Ch. 502, Hazardous Communications Act. The remainder may be used for administering Manufacturing Facility (Ch. 505) and Public Employer Community (Ch. 506) Right-to-Know Acts.

Environmental Testing Laboratory Accreditation Account (5065) - This account was created by H.B. 2912, 77th Leg., R.S., to fund the creation of an Environmental Testing Laboratory accreditation program. Revenue deposited to this account is generated by lab accreditation fees.

Texas Emission Reduction Plan Account (5071) - This account receives revenue from surcharges on motor vehicle titles, sales of on- and off-road diesel vehicles, and commercial vehicle registration and inspection. The revenue may only be used to implement and administer programs established under the plan.

Dry Cleaning Facility Release Account (5093) - This account was created by H.B. 1366, 78th Leg., R.S., to receive revenues from fees on dry cleaning establishments and on the purchase of dry-cleaning solvents. The revenues are used to fund the cleanup of releases of dry-cleaning solvents into the soil or water of the state.

Operating Permit Fees Account (5094) - This account was created by H.B. 1481, 78th Leg., R.S., to receive revenue generated by the Air Emissions Fee to cover the costs of developing and administering the federal permit programs under Title IV or V of the federal Clean Air Act.

Perpetual Care Account (5096) - This account in General Revenue was created by H.B. 1567, H.B. 1678 and H.B. 3318, 78th Leg., R.S., to receive most fees and administrative penalties relating to radioactive waste under Health and Safety Ch. 401.

Environmental Radiation and Perpetual Care (5158) - This account is used for the decontamination, decommissioning, stabilization, reclamation, maintenance, surveillance, control, storage, and disposal of radioactive substances. Money in the account may not be used for normal operating expenses of the commission. It is for deposit of certain radioactive materials and devices regulation fees and low-level radiation waste disposal fees.

Suspense Type Activities Account (0900) - This account provides a temporary depository for money held in suspense pending final disposition. Items held in the account are cleared to the various other accounts or refunded to the payer.

Capital Assets Adjustment Fund Type

The Capital Assets Adjustment fund converts governmental fund types' capital assets from modified accrual to full accrual.

Long-Term Liabilities Adjustment Fund Type

The Long-Term Liabilities Adjustment fund converts governmental fund types' debt from modified accrual to full accrual.

Other Adjustments Fund Type

The Other Adjustments fund converts all other governmental fund type activity 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.

Agency Funds

Agency Funds are used to account for assets held in a custodial capacity for the benefit of other agencies or individuals.

Basis of Accounting

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

Governmental fund types that build the fund financial statements are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized in the period in which they become both measurable and available to finance operations of the fiscal year or liquidate liabilities existing at fiscal year-end.

The State of Texas considers receivables collected within sixty days after fiscal year-end to be available and recognizes them as revenues of the current year for fund financial statements prepared on the modified accrual basis. Expenditures and other uses of financial resources are recognized when the related liability is incurred.

Governmental adjustment fund types that will build the government-wide financial statements are accounted for using the full accrual basis of accounting. The following activities are recognized in these fund types:

- Capital assets
- Accumulated depreciation
- Unpaid employee compensable leave
- Long-term pollution remediation obligations

Budgets and Budgetary Accounting

The budget is prepared biennially and represents appropriations authorized by the Legislature and approved by the Governor (the General Appropriations Act). The Commissioners adopt an annual operating budget and policies consistent with these appropriations. Encumbrance accounting is utilized for budgetary control purposes. 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.

Receivables

Receivables represent revenue from licenses, fees, permits and federal funds that has been earned but not received. This account is presented net of Allowance for Bad Debts.

Inventories and Prepaid Items

Consumable Inventories includes supplies and postage on hand. The consumption method of accounting is used to account for inventories and prepaid items that appear in the governmental fund types. The cost of these items is expensed when the items are used or consumed.

Capital Assets

Assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year are capitalized. These assets are capitalized at cost or, if purchased, 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. Assets are depreciated over the estimated useful life of the asset using the straight-line method.

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.

Payroll Payable

Payroll Payable represents the liability for August salaries at the balance sheet date for which payment is pending.

Contracts Retainage Payable

Contract Retainage Payable represents the liability for amounts retained pursuant to contract agreements at the balance sheet date for which payment is pending.

Pollution Remediation Obligations

Pollution Remediation Obligations represent obligations to address the detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. Pollution Remediation Obligations are accounted for in the long-term liability adjustment column, as current (for amounts due within one year) and non-current (for amounts due thereafter). Pollution Remediation Obligations are recognized in the financial statements when an obligating event has occurred, and the outlays expected to be incurred to settle those liabilities are reasonably estimable.

Fund Balance/Net Position

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

Fund Balance Components

Fund balances for governmental funds are classified as nonspendable, restricted, committed, assigned or unassigned in the fund financial statements.

- Nonspendable fund balance includes amounts not available to be spent because they are either:
 - Not in spendable form, or
 - Legally or contractually required to be maintained intact.
- Restricted fund balance includes those resources that have constraints placed on their use through external parties — such as creditors, grantors, contributors, laws or regulations of other governments —or by law through constitutional provisions or enabling legislation.
- Committed fund balance can be used only for specific purposes pursuant to constraints imposed through legislation passed into law by a formal action of the Texas Legislature, the state’s highest level of decision-making authority.
- Assigned fund balance includes amounts constrained by the state’s intent to be used for specific purposes, but the constraints do not meet the requirements to be reported as either restricted or committed. Intent is expressed by:
 - The Texas Legislature, or
 - 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 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.

Net Investment in Capital Assets

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

Restricted Net Position

Restricted net position results when constraints placed on net resources are either externally imposed by creditors, grantors, contributors and the like or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position

Unrestricted net position consists of net resources that do not meet the definition of the two preceding categories. Unrestricted net position often has constraints on resources that are imposed by management but can be removed or modified.

Interfund Activities and Balances

The agency has the following types of transactions between funds:

- Transfers:

Legally required transfers that are reported when incurred as ‘Transfers In’ by the recipient fund and as ‘Transfers Out’ by the disbursing fund.
- 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 that 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.

Note 2: Capital Assets

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

	PRIMARY GOVERNMENT							Balance 8/31/2020
	Balance		Reclassifications			Balance		
	9/1/2019	Adjustments	Completed CIP	Increase	Decrease	Additions	Deletions	
				Interagency Transaction	Interagency Transaction			
GOVERNMENTAL ACTIVITIES								
Non-depreciable or								
Non-amortizable Assets								
Land and Land Improvements Infrastructure	\$ 20.00							20.00
Construction in Progress	4,910,198.50	(226,258.46)			4,034,768.94			8,718,708.98
Other Tangible Capital Assets	-							-
Land Use Rights	-							-
Other Intangible Capital Assets	-							-
Total Non-depreciable or Non-amortizable Assets	\$ 4,910,218.50	(226,258.46)	-	-	-	4,034,768.94	-	8,718,728.98
Depreciable Assets								
Buildings and Building Improvements Infrastructure	\$ 6,763,627.21							6,763,627.21
Facilities and Other Improvements	-							-
Furniture and Equipment	54,888,636.31	23,819.02		12,258.10	3,609,316.67	(373,493.43)		58,160,536.67
Vehicle, Boats and Aircraft	11,338,318.68				1,346,096.00	(468,383.47)		12,216,031.21
Other Capital Assets	-							-
Total Depreciable Assets	\$ 72,990,582.20	23,819.02	-	12,258.10	-	(841,876.90)		77,140,195.09
Less Accumulated Depreciation for:								
Buildings and Building Improvements Infrastructure	\$ (3,664,405.62)					(239,736.36)		(3,904,141.98)
Facilities and Other Improvements	-							-
Furniture and Equipment	(43,307,154.27)	(23,819.02)		(12,258.10)	(2,988,630.27)	358,433.73		(45,973,427.93)
Vehicles, Boats and Aircraft	(7,021,789.37)				(1,005,037.51)	385,963.01		(7,640,863.87)
Other Capital Assets	-							-
Total Accumulated Depreciation	\$ (53,993,349.26)	(23,819.02)	-	(12,258.10)	-	(4,233,404.14)	744,396.74	(57,518,433.78)
Depreciable Assets, Net	\$ 18,997,232.94	-	-	-	-	722,008.53	(97,480.16)	19,621,761.31
Amortizable Assets - Intangible								
Land Use Rights	-							-
Computer Software	\$ 14,540,186.89					(1,867,643.65)		12,672,543.24
Other Capital Intangible Assets	-							-
Total Amortizable Assets - Intangible	\$ 14,540,186.89	-	-	-	-	(1,867,643.65)		12,672,543.24
Less Accumulated Amortization for:								
Land Use Rights	\$ -							-
Computer Software	(14,511,206.35)					(28,980.54)	1,867,643.65	(12,672,543.24)
Other Intangible Capital Assets	-							-
Total Accumulated Amortization	\$ (14,511,206.35)	-	-	-	-	(28,980.54)	1,867,643.65	(12,672,543.24)
Amortizable Assets - Intangible, Net	\$ 28,980.54	-	-	-	-	(28,980.54)	-	0.00
Governmental Activities								
Capital Assets, Net	\$ 23,936,431.98	(226,258.46)	-	-	-	4,727,796.93	(97,480.16)	28,340,490.29

Note 3: Deposits, Investments and Repurchase Agreements

Deposits of Cash in Bank

The Texas Commission on Environmental Quality reports investments held in the Texas Treasury Safekeeping Trust Company. The Texas Treasury Safekeeping Trust Company is authorized by statute to make investments following the “prudent person rule”. There were no significant violations of legal provisions during the period.

As of August 31, 2020, the carrying amount of deposits was \$50.00 as presented below.

Government and Business-Type Activities

Cash in Bank – Carrying Amount	\$50.00
Cash in Bank (Exh. I)	<u>\$50.00</u>

Investments

As of August 31, 2020, the fair value of investments were:

Governmental and Business-Type Activities

Repurchase Agreements – Texas Treasury Safekeeping Trust Co. ¹	Fair Value \$80,978,136.06
Total	<u>\$80,978,136.06</u>

Fiduciary Funds

Repurchase Agreements – Texas Treasury Safekeeping Trust Co. ¹	Fair Value \$20,646,207.12
Total	<u>\$20,646,207.12</u>

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As of August 31, 2020, the agency’s credit quality distribution for securities with credit risk exposure was:

Fund Type	GAAP Fund	Investment Type	AAA	AA	A	BB
09	9999	Repurchase Agreements Texas Treasury Safekeeping Trust Co.	20,646,207.12			
01	9999	Repurchase Agreements Texas Treasury Safekeeping Trust Co.	80,978,136.06			

Note 4: Short-Term Debt

Not applicable

Note 5: Long-Term Liabilities

Changes in Long-Term Liabilities

The following changes occurred in liabilities during the fiscal year ended August 31, 2020.

¹ - Repurchase Agreements with the Texas Treasury Safekeeping Trust Company are recorded as Cash Equivalents and as Repurchase Agreements in the Notes, based on Reporting Requirements for Annual Financial Reports of State Agencies and Universities.

Governmental Activities	Balance 9/01/19	Additions	Reductions	Balance 8/31/20	Amounts Due Within One Year	Amounts Due Thereafter
Employees' Compensable Leave	17,599,355.36	23,561,609.68	20,971,780.33	20,189,184.71	11,865,554.80	8,323,629.91
Pollution Remediation Obligations	254,525,495.88	12,518,471.46	30,225,987.12	236,817,980.22	30,354,372.84	206,463,607.38
Total Governmental Activities	272,124,851.24	36,080,081.14	51,197,767.45	257,007,164.93	42,219,927.64	214,787,237.29

Employees' Compensable Leave

If a state employee 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 position. No liability is recorded for non-vesting employees 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.

Pollution Remediation Obligations

Dry Cleaners

The TCEQ is responsible for collecting fees for a remediation fund designed to help pay for the cleanup of contaminated dry cleaner sites. The fees are generated from the annual registration of facilities and drop stations, as well as from the sale of perchloroethylene and other dry-cleaning solvents. The TCEQ receives applications for remediation, and then ranks and prioritizes them for corrective action. Legislation in 2007 established requirements for property owners and preceding property owners who wish to claim benefits from the remediation fund and authorized a lien against property owners and preceding property owners who fail to pay registration fees due during corrective action. No additional cost recovery is allowed by statute.

The pollution remediation obligation is measured by using the national average cleanup cost, as calculated by the State Coalition for Remediation of Drycleaners. Direct salary and benefit costs are added to the national average, and the total cost is multiplied by the number of active sites. The amount of the estimated pollution remediation assumes that there will be no major increases in the cost of providing these cleanup services. The TCEQ has 227 active sites at fiscal year- end, with a total estimated pollution remediation obligation of \$51,125,511.22.

Leaking Petroleum Storage Tanks

The TCEQ oversees cleanups of leaking petroleum storage tanks (LPST). Cleanup costs are paid by the owners' environmental liability insurance or other financial assurance mechanisms or from their own funds. If the responsible party is unknown or is unwilling or financially unable to do the work, state and federal funds are used to pay for the corrective actions. Revenue is generated from a fee on the delivery of petroleum products removed from bulk storage facilities. State statutes allow cost recovery from the current owner or any previous responsible owner; however, to date this has not been necessary.

The TCEQ calculates expected outlays related to this pollution remediation by establishing the average cost of cleanup and multiplying that cost by the number of active sites, plus direct salaries and benefits for the duration of the cleanup. This methodology is based upon historical experience in estimating these cleanups.

At fiscal year-end there were 287 active State Lead sites, with a total estimated pollution remediation obligation of \$60,118,609.07.

Superfund

The TCEQ Superfund Section includes the State Superfund, Federal Superfund, Superfund Site Discovery and Assessment (SSDAP) and the Preliminary Assessment/Site Inspection (PA/SI) Programs. On behalf of the TCEQ, the Section identifies, ranks, and addresses sites contaminated with hazardous substances, which no parties are willing to address through a permit, corrective action, voluntary cleanup or enforcement program. These sites are identified through referral from internal and external groups such as TCEQ Enforcement, TCEQ Regional Offices, TCEQ Water Supply Division, public complaints and the United States Environmental Protection Agency (EPA).

When a site is referred to the TCEQ Superfund Section one of two events occurs: either the SSDAP performs the initial assessment and ranking of the site, or the PA/SI Program evaluates the site for the Federal Superfund Program. Sites evaluated by the PA/SI program are later referred to the SSDAP if they do not meet the criteria for the Federal Superfund Program or if EPA does not include them in the Federal Superfund Program. Sites referred to SSDAP are assessed and ranked for potential referral to the State Superfund Program.

The objective of the State and Federal Superfund Programs is to address environmental problems associated with the imminent and substantial endangerment to public health and safety or the environment due to a release or threatened release of hazardous substances. The State and Federal Superfund Programs meet this objective by investigating and evaluating the release or threatened release of hazardous substances, identifying responsible parties, and remediating State and Federal Superfund sites.

The Pollution Remediation Obligation for Superfund sites was calculated by estimating the remediation obligations for active Superfund Section sites in Texas. The following sites or site phases were excluded from the estimation:

- Potentially Responsible Party (PRP) funded investigations and cleanups, because these sites are funded by PRPs;
- Federal sites' costs associated with the Remedial Investigation (RI), Feasibility Study (FS), and Remedial Design (RD), because these phases are funded through the 100% federal match grant coverage; and
- SSDAP and PA/SI sites in the queue for evaluation under the State or Federal Superfund Program, because it is not known if these sites will require cleanup under the Superfund Programs.

Site estimates were based on budget projections to cover necessary activities for the upcoming fiscal year, along with estimated costs for future years and phases, plus direct salaries and benefits. For sites without available budget projections, estimated costs were provided for the Superfund phases of investigation and cleanup, based on staff experience with similar sites. Site estimates may change drastically from one year to another as the investigations progress and better understanding of site conditions are obtained. The estimate of liabilities is limited to sites that have been, or are, being assessed and ranked for the Superfund program. Cost recovery activities during FY20 resulted in collections of \$853,430.34.

At the end of FY20, Texas had 68 sites with Pollution Remediation Obligations in the State and Federal Superfund programs and two sites that required an immediate response or removal action. The current total Superfund liability, as of 8/31/20, is \$125,573,859.95.

Note 6: Bonded Indebtedness

Not Applicable

Note 7: Derivatives

Not Applicable

Note 8: Leases

Operating Leases

Included in the expenditures reported in the financial statements is the following amount of rent paid under operating leases: \$6,464,808.51

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

Year Ending August 31, 2020	Amount (\$)
2021	6,047,790.39
2022	5,596,776.88
2023	5,301,986.58
2024	4,731,825.40
2025	4,261,124.84
2026-2030	9,357,279.42
Total Minimum Future Lease Payments	35,296,783.51

Note 9: Defined Benefit Pension Plans and Defined Contribution Plan

Not Applicable

Note 10: Deferred Compensation

Not Applicable

Note 11: Postemployment Benefits Other Than Pensions

Not Applicable

Note 12: Interfund Activity and Transactions

Not Applicable

Note 13: Continuance Subject to Review

Under the Texas Sunset Act, the Texas Commission on Environmental Quality will be abolished effective September 1, 2023, unless continued in existence by the 88th Legislature as provided by the Act. If abolished, the agency may continue until September 1, 2024, to close out its operations.

Note 14: Adjustments to Fund Balances and Net Position

In Fiscal Year 2020, TCEQ had a disposal of a prior year completed construction in progress on a software project due to under threshold amount rule. The disposal of the construction in progress was in the amount of \$226,258.46.

	Capital Asset
Fund Balance/Net Position September 1, 2019	\$23,936,431.98
Restatements:	(\$226,258.46)
Fund Balance/Net Position September 1, 2019 as restated	\$23,710,173.52

Note 15: Contingencies and Commitments

The Texas Commission on Environmental Quality receives federal financial assistance for specific purposes that are subject to review or audit by the federal grantor agencies. Entitlement to this assistance is generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of assistance for allowable purposes. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based on prior experience, management believes such disallowance, if any, will be immaterial.

The TCEQ is involved in several administrative claims proceedings and lawsuits that could result in possible liabilities in the event of an adverse ruling. However, while adverse rulings regarding any of these claims are possible, it is management's opinion that the possibility of adverse rulings is unlikely.

As of August 31, 2020, the TCEQ encumbered expenditures in governmental funds for signed contracts and purchase orders as presented in the table below:

Appropriated Fund Number	Appropriated Account Name	Encumbrance	Available Fund Balance	Total Fund Balance
0088	Low Level Radioactive	15,169.65	23,607,352.18	23,622,521.83
0151	Clean Air	7,993,449.56	277,168,558.34	285,162,007.90
0153	Water Resource Management	11,997,467.45	49,168,072.12	61,165,539.57
0158	Watermaster Administration Account	109,655.47	1,922,729.01	2,032,384.48
0468	Occupational Licensing	18,595.04	9,980,062.06	9,998,657.10
0549	Waste Management	575,542.01	20,940,873.83	21,516,415.84
0550	Hazardous & Solid Waste Remediation Fee	6,744,592.86	23,111,796.84	29,856,389.70
0655	Petroleum Storage Tank Remediation	4,613,087.87	96,665,554.34	101,278,642.21
5000	Solid Waste Disposal Fee	1,397.40	117,689,978.31	117,691,375.71
5020	Workplace Chemicals List	2,741.65	1,181,506.83	1,184,248.48
5065	Environmental Trust Lab Accreditation	36,207.30	856,231.09	892,438.39
5071	Texas Emissions Reduction Plan	65,654,182.51	1,879,527,089.07	1,945,181,271.58
5093	Dry Cleaning Facility Release	1,184,538.27	20,905,227.67	22,089,765.94
5094	Operating Permit Fees	1,264,411.76	11,966,572.67	13,230,984.43
5158	Environmental Radiation Perpetual Care	203,786.16	5,583,954.14	5,787,740.30

Note 16: Subsequent Events

Not Applicable

Note 17: Risk Management

The TCEQ is exposed to a variety of claims resulting from the performance of its duties. It is agency policy to periodically assess potential risks to which it may be exposed. The agency assumes substantially all risks and liability claims due to the performance of its duties. Currently there is no purchase of commercial insurance nor is the agency involved in any risk pools with other government entities.

Liabilities are reported when it is both probable that a loss has occurred, and the amount of that loss can be reasonably estimated.

The agency’s claim and judgement liability activity at August 31, 2020, is as follows:

Claims and Judgements				
	Beginning balance	Increases	Decreases	Ending Balance
FY 2020	-	\$ 262,714.78	\$ (262,714.78)	-
FY 2019	-	\$ 15,748.01	\$ (15,748.01)	-

Note 18: Management’s Discussion and Analysis

The TCEQ’s overall fund balance increased 11.6% from the FY 2019 adjusted ending balance (\$2.4 billion) to FY 2020 (\$2.75 billion) despite a decrease of \$23.6 million in revenue in FY 20 given unprecedented and dynamic contributing factors including stay-at-home orders and higher than average unemployment rates associated with COVID 19. Major contributors affecting the change include the following accounts.

The Low-Level Radioactive Waste Account (0088) fund balance decreased by 5.6% in FY 20. Account expenditures and obligations exceeded the annual revenues. The account has a strong fund balance due to the \$25 million payment from the State of Vermont to join the compact. The fund balance will continue to decline because the agency can only seek cost recovery for direct licensing and shipment inspection expenses. Other compliance cost associated with the facility are not eligible for cost recovery to the agency.

The Clean Air Account (0151) fund balance increased by 13.8% in FY 2020. Most of the increase is due to refunds from counties from unspent grant (\$25 million) funds from previous fiscal years. The remaining difference is associated with annual revenue deposited into the fund exceeding the annual level of appropriations authorized from this account despite \$2.7 million in revenue loss associated with COVID 19 related to registration and inspection associated with vehicle sales.

The Water Resource Management Account (0153) fund balance increased by 9.9% in FY 2020. The increase is due to the annual revenue deposited into the fund exceeding the annual level of expenditures for this account. The revenue associated with this account were not impacted by COVID 19.

The Waste Management Account (0549) fund balance decreased by 17.2% in FY 2020. The largest fee source, the Solid Waste Exposal Fee, decreased due to declines to new home construction associated with COVID 19. The annual revenue deposited to the account will continue to be lower than appropriations and other fund obligations in future years which will continue the decline of the fund balance.

The Petroleum Storage Tank Remediation Account (0655) fund balance decreased by 9.3% in FY 2020 primarily due to HB7, 84th Legislature which required the agency to reduce revenue by the amount of appropriations for pre-1998 PST sites. The agency anticipates a similar level of decrease in future years. The account revenue decreased by \$1.8 million in FY 20 due to lower fuel consumption associated with COVID 19 preventative measures.

The Solid Waste Disposal Fee Account (5000) fund balance increased by 111.4% (\$62 million) in FY 2022. The majority of the increase is due to a refund of \$56 million from the interagency agreement with Texas Department of Emergency Management for the execution of subgrantee agreements with affected local governments to administer the Emergency Funding to reimburse the non-federal share of solid waste and debris removal costs associated with Hurricane Harvey.

The Texas Emission Reduction Plan Account (5071) fund balance increased by 11.8% in FY 2020. Despite revenue decreases due to decreased activity in the petroleum industry and weak motor vehicle sales, the increase to fund balance is due to annual revenue deposited into the account exceeding the annual level of appropriations authorized from this account. It is uncertain if the fund balance will continue to grow at the current rate once the TERP trust is operational.

The Dry-Cleaning Facility Release Account (5093) fund balance decreased by 3.2% in FY 2020. The decrease is associated with a decline in utilization of dry-cleaning services due to work from home orders and unemployment associated with COVID 19. The program is also seeing reduced registration and solvent fees collected due to the program nearing sunset.

The Operating Permit Fees Account (5094) fund balance decreased by 10.2% in FY 2019. The decrease is due to expenditures exceeding revenue collections.

Note 19: The Financial Reporting Entity

As required by Generally Accepted Accounting Principles, the financial statements present the Texas Commission on Environmental Quality. The TCEQ has no component units.

Note 20: Stewardship, Compliance and Accountability

Not Applicable

Note 21: N/A

Not Applicable

Note 22: Donor Restricted Endowments

Not Applicable

Note 23: Extraordinary and Special Items

Not Applicable

Note 24: Disaggregation of Receivable and Payable Balances

Not Applicable

Note 25: Termination Benefits

Not Applicable

Note 26: Segment Information

Not Applicable

Note 27: Service Concession Arrangements

Not Applicable

Note 28: Deferred Outflows of Resources and Deferred Inflows of Resources

Not Applicable

Note 29: Trouble Debt Restructuring

Not Applicable

Note 30: Non-Exchange Financial Guarantees

Not Applicable

Note 31: Tax Abatements

Not Applicable

Note 32: Governmental Fund Balances

GAAP Fund	Fund	AFR 54 Class	Amount	Citation	Comments
0930	0930	Restricted	(\$28,117.17)	<p>TEX. GOV'T CODE ANN. Sec. 403.011, sec. 404.094(b)</p> <p>H.B. 1, 84th Leg., R.S., (General Appropriations Act), Article IX, Sec. 6.24, Op. Tex. Atty Gen. No. KP-0078.</p> <p>The Federal statute authorizing the Gulf Coast Restoration Trust Fund is 33 U.S. Code § 1321(a)(35) pursuant to section 1602(a)-(b) of the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012.</p>	<p>This account is held outside the treasury with the comptroller. Its purpose is to receive federal money related to the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies (RESTORE) of the Gulf Coast States Act. It will be used for cleanup associated with the April 20, 2010, explosion and spill of the Deepwater Horizon oil rig in the Gulf of Mexico. Amounts are receipts from the Gulf Coast Restoration Trust Fund in the U.S. Treasury.</p>
9999	9993	Restricted	\$80,978,136.06	<p>This account was created by an agreement effective July 24, 1995, between the Texas General Land Office, the Texas Parks and Wildlife Department, the TCEQ and the State Treasurer (Comptroller) specifically as a joint repository for Natural Resource Damages (NRD) settlement funds. By federal statute (42 USC 9607 Comprehensive Environmental Response Compensation and Liability Act and 33 USC 2706 Oil Pollution Act)</p>	<p>The NRD settlement funds can be used only for restoration of natural resources affected by releases of oil or hazardous substances.</p>

**COMBINING
FINANCIAL
STATEMENTS**

-UNAUDITED-

**EXHIBIT A-1
COMBINING BALANCE SHEET
All General and Consolidated Funds
August 31, 2020**

	General Revenue Account (0001)	Texas Natural Resource Trustees Account (9999)	Low Level Radioactive Waste Account (0088)	Used Oil Recycling Account (0146)	Clean Air Account (0151)	Water Resource Management Account (0153)	Watermaster Administration Account (0158)	TCEQ Occupational Licensing Account (0468)
Assets								
Current Assets:								
Cash in Bank	\$ 50.00	\$	\$	\$	\$	\$	\$	\$
Cash in State Treasury			23,749,403.72		289,984,759.74	66,312,230.95	2,230,023.66	10,350,606.60
Cash Equivalents		80,978,136.06						
Legislative Appropriations	25,088,615.85							
Receivables:								
Federal	10,098.00				1,258,944.36	2,932,718.79		
Accounts Receivable						21,102.67	15,293.56	
Due From Other Agencies					23,185.18	2,026,680.00		
Consumable Inventories	205,422.87							
Total Current Assets	\$ 25,304,186.72	\$ 80,978,136.06	\$ 23,749,403.72	\$ -	\$ 291,266,889.28	\$ 71,292,732.41	\$ 2,245,317.22	\$ 10,350,606.60
Liabilities								
Current Liabilities:								
Payables:								
Accounts Payable	\$ 1,793,266.91	\$	\$ 12,060.80	\$ 477.10	\$ 1,492,438.02	\$ 2,628,931.67	\$ 52,967.59	\$ 68,749.42
Payroll Payable	115,528.05		114,821.09		3,899,835.43	5,311,956.90	159,965.15	162,142.73
Contracts Retainage Payable	116,442.18				30.91	132,099.56		10,191.22
Due to Other Agencies	715,397.45				712,577.02	2,054,204.71		110,866.13
Total Current Liabilities	\$ 2,740,634.59	\$ -	\$ 126,881.89	\$ 477.10	\$ 6,104,881.38	\$ 10,127,192.84	\$ 212,932.74	\$ 351,949.50
Fund Balances								
Nonspendable	\$ 205,422.87	\$	\$	\$	\$	\$	\$	\$
Restricted		80,978,136.06						
Committed			23,622,521.83		285,162,007.90	61,165,539.57	2,032,384.48	9,998,657.10
Assigned	241,936.80							
Unassigned	22,116,192.46			(477.10)				
Total Fund Balances	\$ 22,563,552.13	\$ 80,978,136.06	\$ 23,622,521.83	\$ (477.10)	\$ 285,162,007.90	\$ 61,165,539.57	\$ 2,032,384.48	\$ 9,998,657.10
Total Liabilities and Fund Balances	\$ 25,304,186.72	\$ 80,978,136.06	\$ 23,749,403.72	\$ -	\$ 291,266,889.28	\$ 71,292,732.41	\$ 2,245,317.22	\$ 10,350,606.60

-UNAUDITED-

Consolidated Funds

Waste Management Account (0549)	Hazardous & Solid Waste Remediation Fee Account (0550)	Petroleum Storage Tank Remediation Account (0655)	License Plate Trust Fund (0802)	Restore Act Trust Fund (0930)	Solid Waste Disposal Fee Account (5000)	Workplace Chemicals List (5020)	Environmental Testing Lab Accreditation Account (5065)	Texas Emissions Reduction Plan Account (5071)	Dry Cleaning Facility Release Account (5093)	Operating Permit Fees Account (5094)	Perpetual Care Account (5096)	Environmental Radiation & Perpetual Care (5158)	Suspense Type Activities Account (0900)	Total
\$ 25,438,536.01	\$ 34,192,582.33	\$ 103,633,477.80	\$ -	\$ 3,040.81	\$ 117,025,579.97	\$ 1,260,229.91	\$ 991,241.77	\$ 1,952,168,027.60	\$ 22,582,733.62	\$ 16,572,077.28	\$ 7,553,207.37	\$ 6,816,484.41	\$ 136,722.21	\$ 2,681,000,965.76
														80,978,136.06
														25,088,615.85
														6,065,559.85
														2,316,056.97
														2,139,729.94
														205,422.87
<u>\$ 27,468,916.48</u>	<u>\$ 34,202,322.33</u>	<u>\$ 104,757,754.07</u>	<u>\$ -</u>	<u>\$ 175,266.24</u>	<u>\$ 117,691,375.71</u>	<u>\$ 1,261,540.14</u>	<u>\$ 991,241.77</u>	<u>\$ 1,952,239,276.13</u>	<u>\$ 22,740,013.44</u>	<u>\$ 16,573,144.99</u>	<u>\$ 7,553,207.37</u>	<u>\$ 6,816,484.41</u>	<u>\$ 136,722.21</u>	<u>\$ 2,797,794,537.30</u>
\$ 2,703,158.97	\$ 3,046,713.24	\$ 1,803,939.35	\$ -	\$ 31,590.00	\$ -	\$ 3,080.87	\$ 52,456.39	\$ 6,360,857.04	\$ 543,750.12	\$ 813,911.17	\$ -	\$ 889,505.37	\$ -	\$ 22,297,854.03
3,245,296.81	998,050.36	1,005,397.94		15,722.81		74,210.79	46,346.99	608,572.00	45,225.59	2,503,517.18				18,306,589.82
4,045.06	301,169.03	287,814.30							61,271.79			139,238.74		1,052,302.79
		381,960.27		156,070.60				88,575.51		24,732.21				4,244,383.90
<u>\$ 5,952,500.84</u>	<u>\$ 4,345,932.63</u>	<u>\$ 3,479,111.86</u>	<u>\$ -</u>	<u>\$ 203,383.41</u>	<u>\$ -</u>	<u>\$ 77,291.66</u>	<u>\$ 98,803.38</u>	<u>\$ 7,058,004.55</u>	<u>\$ 650,247.50</u>	<u>\$ 3,342,160.56</u>	<u>\$ -</u>	<u>\$ 1,028,744.11</u>	<u>\$ -</u>	<u>\$ 45,901,130.54</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 205,422.87
														80,950,018.89
														2,648,243,590.63
														378,659.01
														22,115,715.36
<u>\$ 21,516,415.64</u>	<u>\$ 29,856,389.70</u>	<u>\$ 101,278,642.21</u>	<u>\$ -</u>	<u>\$ (28,117.17)</u>	<u>\$ 117,691,375.71</u>	<u>\$ 1,184,248.48</u>	<u>\$ 892,438.39</u>	<u>\$ 1,945,181,271.58</u>	<u>\$ 22,089,765.94</u>	<u>\$ 13,230,984.43</u>	<u>\$ 7,553,207.37</u>	<u>\$ 5,787,740.30</u>	<u>\$ 136,722.21</u>	<u>\$ 2,751,893,406.76</u>
<u>\$ 27,468,916.48</u>	<u>\$ 34,202,322.33</u>	<u>\$ 104,757,754.07</u>	<u>\$ -</u>	<u>\$ 175,266.24</u>	<u>\$ 117,691,375.71</u>	<u>\$ 1,261,540.14</u>	<u>\$ 991,241.77</u>	<u>\$ 1,952,239,276.13</u>	<u>\$ 22,740,013.44</u>	<u>\$ 16,573,144.99</u>	<u>\$ 7,553,207.37</u>	<u>\$ 6,816,484.41</u>	<u>\$ 136,722.21</u>	<u>\$ 2,797,794,537.30</u>

-UNAUDITED-

EXHIBIT A-2
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
All General and Consolidated Funds
For the Year Ended August 31, 2020

	General Revenue Account (0001)	Texas Natural Resource Trustees Account (9999)	Low Level Radioactive Waste Account (0088)	Used Oil Recycling Account (0146)	Clean Air Account (0151)	Water Resource Management Account (0153)	Watermaster Administration Account (0158)	TCEQ Occupational Licensing Account (0468)	Waste Management Account (0549)	Hazardous & Solid Waste Remediation Fee Account (0550)
Revenues										
Legislative Appropriations :										
Original Appropriations	\$ 25,645,325.00	\$	\$	\$	\$	\$	\$	\$	\$	\$
Additional Appropriations	2,618,299.39									
Taxes										
Federal Revenues	4,545,802.63				10,788,872.39	19,301,451.77			6,822,785.00	634,316.00
Federal Pass-Through	1,349,668.09				1,133.80	9,682,025.59			138,105.74	
State Grant Pass-Through										
Licenses, Fees and Permits	523,816.81		713,902.16		65,862,626.08	81,898,765.10	2,855,640.97	2,479,125.50	36,157,016.36	28,574,647.30
Interest & Investment Income		716,402.12								
Settlement of Claims		5,617,908.03								
Sales of Goods and Services	854.20					78,350.00				
Other Revenues	14,775.00				299,420.69				3,682.25	1,215,119.31
Total Revenues	\$ 34,698,541.12	\$ 6,334,310.15	\$ 713,902.16	\$ -	\$ 76,952,052.96	\$ 110,960,592.46	\$ 2,855,640.97	\$ 2,479,125.50	\$ 43,121,589.35	\$ 30,424,082.61
Expenditures										
Salaries and Wages	\$ 4,802,923.36	\$	\$ 1,108,829.97	\$	\$ 31,770,517.38	\$ 48,136,246.51	\$ 1,427,443.68	\$ 1,503,233.96	\$ 29,452,050.72	\$ 9,511,056.53
Payroll Related Costs	2,682,888.15		343,778.85		11,938,136.98	18,335,121.30	509,204.55	415,560.02	8,675,275.11	5,115,144.41
Professional Fees and Services	11,770,089.00	2,105,664.29	7,109.00		11,872,960.92	10,557,548.77	192,934.42	44,957.36	5,900,549.84	18,635,207.40
Travel	117,949.32		23,370.34		280,830.09	263,878.47	18,528.14	2,758.98	165,454.33	65,588.12
Materials and Supplies	314,453.76		13,600.75		1,666,003.08	1,339,438.99	104,435.80	3,096.07	682,437.54	227,983.50
Communications and Utilities	274,943.74		14,527.42		805,014.32	527,684.90	39,925.01	707.44	276,367.97	69,346.40
Repairs and Maintenance	54,871.66		21,756.50		843,775.64	797,040.91	38,287.49	2,192.00	266,618.88	148,050.36
Rentals and Leases	446,348.64		1,833.35		1,414,101.33	2,067,445.78	133,427.70	300.00	658,305.67	106,890.99
Printing and Reproduction	48,582.06				8,531.71	110,269.44	396.00		58,334.33	5,359.42
Claims and Judgements	1,377.00				100,000.00	58,142.27			51,931.40	151.57
Federal Pass-Through Expenditures	23,202.83				898,536.60	6,418,432.63				
State Grant Pass-Through Expenditures	6,315,921.71		53,979.71		2,262,135.86	1,693,978.38		113,959.98	2,774.99	3,469.47
Intergovernmental Payments	1,813,769.97				(25,380,088.45)	7,048,501.21				
Public Assistance Programs						108,018.58				
Other Operating Expenditures	878,047.26	1,148,867.83	104,087.61		1,187,427.55	1,136,100.87	1,509.21	139,416.09	1,068,933.34	(1,715,526.47)
Capital Outlay	147,082.00				2,745,510.73	1,974,999.65			342,591.93	16,661.00
Total Expenditures	\$ 29,692,450.46	\$ 3,254,532.12	\$ 1,692,873.50	\$ -	\$ 42,413,393.74	\$ 100,572,848.66	\$ 2,466,092.00	\$ 2,226,181.90	\$ 47,601,626.05	\$ 32,189,382.70
Excess (Deficiency) of Revenues over Expenditures	\$ 5,006,090.66	\$ 3,079,778.03	\$ (978,971.34)	\$ -	\$ 34,538,659.22	\$ 10,387,743.80	\$ 389,548.97	\$ 252,943.60	\$ (4,480,036.70)	\$ (1,765,300.09)
Other Financing Sources (Uses)										
Operating Transfers In	\$ 14,000.00	\$	\$ 159,336.60	\$	\$ 583,054.30	\$	\$	\$	\$	\$ 18,999.26
Operating Transfers Out	(5,924,578.68)	(2,481,020.58)	(577,164.00)		(471,639.88)	(4,869,839.63)				
Insurance Recoveries									11,640.30	
Sale of Capital Assets	79,216.25									
Total Other Financing Sources (Uses)	\$ (5,831,362.43)	\$ (2,481,020.58)	\$ (417,827.40)	\$ -	\$ 111,414.42	\$ (4,869,839.63)	\$ -	\$ -	\$ 11,640.30	\$ 18,999.26
Net Change in Fund Balances	\$ (825,271.77)	\$ 598,757.45	\$ (1,396,798.74)	\$ -	\$ 34,650,073.64	\$ 5,517,904.17	\$ 389,548.97	\$ 252,943.60	\$ (4,468,396.40)	\$ (1,746,300.83)
Fund Financial Statements/Fund Balances										
Fund Balances, September 1, 2019	\$ 23,466,631.55	\$ 80,379,378.61	\$ 25,019,320.57	\$ (477.10)	\$ 250,511,934.26	\$ 55,647,635.40	\$ 1,642,835.51	\$ 9,745,713.50	\$ 25,984,812.04	\$ 31,602,690.53
Restatements (if any)										
Fund Balances, As Restated	\$ 23,466,631.55	\$ 80,379,378.61	\$ 25,019,320.57	\$ (477.10)	\$ 250,511,934.26	\$ 55,647,635.40	\$ 1,642,835.51	\$ 9,745,713.50	\$ 25,984,812.04	\$ 31,602,690.53
Appropriations Lapsed	(77,807.65)									
Fund Balances, August 31, 2020	\$ 22,563,552.13	\$ 80,978,136.06	\$ 23,622,521.83	\$ (477.10)	\$ 285,162,007.90	\$ 61,165,539.57	\$ 2,032,384.48	\$ 9,998,657.10	\$ 21,516,415.64	\$ 29,856,389.70

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY (582)

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Petroleum Storage Tank Remediation Account (0655)	License Plate Trust Fund (0802)	Restore Act Trust Fund (0930)	Solid Waste Disposal Fee Account (5000)	Workplace Chemicals List (5020)	Environmental Testing Lab Accreditation Account (5065)	Texas Emissions Reduction Plan Account (5071)	Dry Cleaning Facility Release Account (5093)	Operating Permit Fees Account (5094)	Perpetual Care Account (5096)	Environmental Radiation & Perpetual care Account (5158)	Suspense Type Activities Account (0900)	Totals
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 25,645,325.00
						94,032,151.42						2,618,299.39
4,707,841.71		1,618,799.35										94,032,151.42
												48,419,868.85
												11,170,933.22
												-
16,030,876.62	1,358.48 19.95	2,227.46	11,431,274.89	1,135,040.39	786,725.00	19,225,104.30	3,305,791.24	39,411,426.16		2,610,464.48		313,003,601.84
												718,649.53
						4,100.00						5,622,008.03
								1,974.69				81,178.89
							2,000.00					128,746.79
												1,663,744.04
<u>20,738,718.33</u>	<u>1,378.43</u>	<u>1,621,026.81</u>	<u>11,431,274.89</u>	<u>1,135,040.39</u>	<u>786,725.00</u>	<u>113,261,355.72</u>	<u>3,307,791.24</u>	<u>39,413,400.85</u>	<u>-</u>	<u>2,610,464.48</u>	<u>128,746.79</u>	<u>502,975,760.21</u>
9,044,063.10	\$	\$ 143,209.67	\$	\$ 644,351.39	\$ 466,117.36	\$ 4,982,179.71	\$ 403,020.20	\$ 23,175,947.05	\$	\$	\$	\$ 166,571,190.59
5,942,868.42		37,589.96		278,433.44	179,257.90	1,893,243.47	136,540.97	7,507,865.60				63,990,909.13
15,151,861.81		40,939.50		77,616.00	256,070.66	821,751.74	4,053,521.63	1,943,953.86		5,676,603.01		89,109,339.21
20,703.65		6,607.08		14,254.84	9,413.89	11,171.61	725.28	82,225.09				1,083,459.23
266,524.05	840.00	7.60		6,690.35		50,569.03		1,199,070.40				5,875,150.92
333,332.35				3,500.68	3,655.00	43,097.04		232,623.93				2,624,726.20
80,255.72				6,064.80		69,163.32		357,925.79				2,686,003.07
213,447.11						757,909.20		1,377,231.77				7,177,241.54
7,804.11	215.00			469.50		2,984.20		2,650.80				245,596.57
112.54								51,000.00				262,714.78
1,430,168.09		1,373,935.41										10,144,275.56
			(56,116,222.28)			731,181.34		111,643.95				(44,827,176.89)
		47,221.31	5,493,162.00	11,970.55		2,306,967.34						(8,658,496.07)
				(19,397.20)								88,621.38
(1,619,594.05)	54.51	446.80	27,970.96	24,732.84	(56,407.28)	34,805,034.60	(552,641.11)	1,432,496.10		(1,318,854.26)		36,692,102.40
234,477.04								3,447,841.26				8,909,163.61
<u>31,106,023.94</u>	<u>1,109.51</u>	<u>1,649,957.33</u>	<u>(50,595,089.32)</u>	<u>1,048,687.19</u>	<u>858,107.53</u>	<u>46,475,252.60</u>	<u>4,041,166.97</u>	<u>40,922,475.60</u>	<u>-</u>	<u>4,357,748.75</u>	<u>-</u>	<u>341,974,821.23</u>
<u>(10,367,305.61)</u>	<u>268.92</u>	<u>(28,930.52)</u>	<u>62,026,364.21</u>	<u>86,353.20</u>	<u>(71,382.53)</u>	<u>66,786,103.12</u>	<u>(733,375.73)</u>	<u>(1,509,074.75)</u>	<u>-</u>	<u>(1,747,284.27)</u>	<u>128,746.79</u>	<u>161,000,938.98</u>
	\$ (268.92)	\$	\$	\$ 49,580.32	\$ (65,429.00)	\$ 138,942,082.89	\$ (1,003,628.62)	\$ 962,409.20	\$	\$	\$	\$ 140,729,462.57
												(15,393,569.31)
												11,640.30
												79,216.25
-	(268.92)	-	-	(15,848.68)	-	137,938,454.27	-	-	962,409.20	-	-	125,426,749.81
(10,367,305.61)	-	(28,930.52)	62,026,364.21	70,504.52	(71,382.53)	204,724,557.39	(733,375.73)	(1,509,074.75)	962,409.20	(1,747,284.27)	128,746.79	286,427,688.79
111,645,947.82	-	813.35	55,665,011.50	1,113,743.96	963,820.92	1,740,456,714.19	22,823,141.67	14,740,059.18	6,590,798.17	7,535,024.57	7,975.42	2,465,543,525.62
111,645,947.82	-	813.35	55,665,011.50	1,113,743.96	963,820.92	1,740,456,714.19	22,823,141.67	14,740,059.18	6,590,798.17	7,535,024.57	7,975.42	2,465,543,525.62
												(77,807.65)
<u>101,278,642.21</u>	<u>-</u>	<u>(28,117.17)</u>	<u>117,691,375.71</u>	<u>1,184,248.48</u>	<u>892,438.39</u>	<u>1,945,181,271.58</u>	<u>22,089,765.94</u>	<u>13,230,984.43</u>	<u>7,553,207.37</u>	<u>5,787,740.30</u>	<u>136,722.21</u>	<u>2,751,893,406.76</u>

-UNAUDITED-

EXHIBIT J-1
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
All Agency Funds
August 31, 2020

	<u>Beginning Balances September 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balances August 31, 2020</u>
Child Support Deductions Fund (0807)				
Assets:				
Cash in State Treasury	\$ 18,708.76	\$ 253,271.38	\$ 253,370.42	\$ 18,609.72
Liabilities:				
Funds Held for Others	\$ 18,708.76	\$ 253,271.38	\$ 253,370.42	\$ 18,609.72
Securities Held In Trust (9999)				
Assets:				
Cash Equivalents	\$ 21,164,714.95	\$ -	\$ 518,507.83	\$ 20,646,207.12
Liabilities:				
Funds Held For Others	\$ 21,164,714.95	\$ (518,507.83)	\$ -	\$ 20,646,207.12
Total - All Agency Funds				
Assets:				
Cash in State Treasury	\$ 18,708.76	\$ 253,271.38	\$ 253,370.42	\$ 18,609.72
Cash Equivalents	21,164,714.95	-	518,507.83	20,646,207.12
Total Assets	\$ 21,183,423.71	\$ 253,271.38	\$ 771,878.25	\$ 20,664,816.84
Liabilities:				
Funds Held For Others	\$ 21,183,423.71	\$ (265,236.45)	\$ 253,370.42	\$ 20,664,816.84
Total Liabilities	\$ 21,183,423.71	\$ (265,236.45)	\$ 253,370.42	\$ 20,664,816.84

(Exhibit VI)

S C H E D U L E S

**SCHEDULE 1A
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended August 31, 2020**

Federal Grantor / Pass-Through Grantor/ Program Title	CFDA Number	Pass-Through From			
		Agency/ University Number	Identifying Number	State Agency or University Amount	Non-State Entities Amount
U.S. Department of Defense					
<i>Direct Programs:</i>					
State Memorandum of Agreement Program for the Reimbursement of Technical Services	12.113			\$	\$
Total U.S. Department of Defense				\$ 0.00	\$ 0.00
U.S. Department of the Treasury					
<i>Direct Programs:</i>					
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015			\$	\$
<i>Pass-Through To:</i>					
University of Houston	21.015			\$	\$
Texas A&M University - Corpus Christi	21.015				
Total U.S. Department of the Treasury				\$ 0.00	\$ 0.00
Environmental Protection Agency					
<i>Direct Programs:</i>					
Surveys, Studies, Research, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act	66.034			\$	\$
<i>Pass-Through To:</i>					
Texas A&M Agrilife Research	66.034				
Texas Tech University	66.034				
University of Texas Rio Grande Valley	66.034				
Multipurpose Grants to States and Tribes	66.204				
<i>Pass-Through To:</i>					
University of Texas at Arlington	66.204				
Water Pollution Control - State, Interstate and Tribal Program Support	66.419				
<i>Pass-Through To:</i>					
Texas A&M Agrilife Extension Service	66.419				
Tarleton State University	66.419				
University of Texas at Arlington	66.419				
Texas A&M University - Galveston	66.419				
University of Texas at Austin	66.419				
University of Houston - Clear Lake	66.419				
Texas A&M University - Corpus Christi	66.419				
Lead Testing in School and Child Care Program Drinking Water (SDWA 1464(D))	66.444				
<i>Pass-Through To:</i>					
University of Texas at Arlington	66.444				
Water Quality Management Planning	66.454				
National Estuary Program	66.456				
<i>Pass-Through To:</i>					
Texas A&M AgriLife Extension Service	66.456				
Texas A&M AgriLife Research	66.456				
University of Houston	66.456				
University of Houston - Clear Lake	66.456				
Parks and Wildlife Department	66.456				
Nonpoint Source Implementation Grants	66.460				
<i>Pass-Through To:</i>					
Texas A&M AgriLife Extension Service	66.460				
Texas A&M AgriLife Research	66.460				
Tarleton State University	66.460				
Texas A&M University - Kingsville	66.460				
University of Texas Rio Grande	66.460				
Texas State University	66.460				
Performance Partnership Grants	66.605				
<i>Pass-Through To:</i>					
Department of State Health Services	66.605				
Texas AgriLife Extension	66.605				
Texas A&M Agrilife Research	66.605				
University of Texas at Arlington	66.605				

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY (582)
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Direct Program Amount	Total Pass Through From & Direct Program	CFDA Number	Pass-Through To			Expenditures Amount	Total Pass Through To & Expenditures
			Agency/ University/ Number	State Agency/ University/ Amount	Non-State Entities Amount		
\$ 371,812.00	\$ 371,812.00	12.113		\$	\$	\$ 371,812.00	\$ 371,812.00
\$ 371,812.00	\$ 371,812.00			\$ 0.00	\$ 0.00	\$ 371,812.00	\$ 371,812.00
\$ 172,011.02	\$ 172,011.02	21.015			38,613.81	\$ 133,397.21	\$ 172,011.02
\$ 630,737.09	\$ 630,737.09	21.015	730	\$ 630,737.09			\$ 630,737.09
\$ 499,015.38	\$ 499,015.38	21.015	760	\$ 499,015.38			\$ 499,015.38
\$ 1,301,763.49	\$ 1,301,763.49			\$ 1,129,752.47	\$ 38,613.81	\$ 133,397.21	\$ 1,301,763.49
\$ 1,234,010.95	\$ 1,234,010.95	66.034		\$	\$	\$ 1,234,010.95	\$ 1,234,010.95
43,748.86	43,748.86	66.034	556	43,748.86			43,748.86
36,692.76	36,692.76	66.034	733	36,692.76			36,692.76
34,769.94	34,769.94	66.034	746	34,769.94			34,769.94
118,261.47	118,261.47	66.204				118,261.47	118,261.47
111,635.53	111,635.53	66.204	714	111,635.53			111,635.53
1,928,781.70	1,928,781.70	66.419			488,588.37	1,440,193.33	1,928,781.70
357,351.35	357,351.35	66.419	555	357,351.35			357,351.35
606,470.48	606,470.48	66.419	713	606,470.48			606,470.48
423,764.72	423,764.72	66.419	714	423,764.72			423,764.72
25,956.09	25,956.09	66.419	718	25,956.09			25,956.09
75,304.76	75,304.76	66.419	721	75,304.76			75,304.76
178,460.79	178,460.79	66.419	759	178,460.79			178,460.79
70,008.81	70,008.81	66.419	760	70,008.81			70,008.81
46,407.17	46,407.17	66.444				46,407.17	46,407.17
23,202.83	23,202.83	66.444	714	23,202.83			23,202.83
861,506.00	861,506.00	66.454			692,418.60	169,087.40	861,506.00
						0.00	0.00
294,950.48	294,950.48	66.456			245,574.62	49,375.86	294,950.48
19,383.05	19,383.05	66.456	555	19,383.05			19,383.05
132,550.39	132,550.39	66.456	556	132,550.39			132,550.39
93,479.09	93,479.09	66.456	730	93,479.09			93,479.09
20,632.65	20,632.65	66.456	759	20,632.65			20,632.65
15,058.77	15,058.77	66.456	802	15,058.77			15,058.77
1,197,619.24	1,197,619.24	66.460			1,197,618.37	0.87	1,197,619.24
546,254.44	546,254.44	66.460	555	546,254.44			546,254.44
423,745.56	423,745.56	66.460	556	423,745.56			423,745.56
2,138.66	2,138.66	66.460	713	2,138.66			2,138.66
49,776.95	49,776.95	66.460	732	49,776.95			49,776.95
125,805.16	125,805.16	66.460	746	125,805.16			125,805.16
655,216.21	655,216.21	66.460	754	655,216.21			655,216.21
27,065,458.20	27,065,458.20	66.605			891,845.11	26,173,613.09	27,065,458.20
17,043.64	17,043.64	66.605	537	17,043.64			17,043.64
14,382.95	14,382.95	66.605	555	14,382.95			14,382.95
22,747.55	22,747.55	66.605	556	22,747.55			22,747.55
145,000.00	145,000.00	66.605	714	145,000.00			145,000.00

SCHEDULE 1A
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended August 31, 2020

Federal Grantor / Pass-Through Grantor/ Program Title	CFDA Number	Pass-Through From			
		Agency/ University Number	Identifying Number	State Agency or University Amount	Non-State Entities Amount
University of Texas at Austin	66.605				
University of Texas at El Paso	66.605				
University of Texas Rio Grande Valley	66.605				
Environmental Information Exchange Network Grant Program and Related Assistance	66.608				
Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	66.802				
Underground Storage Tank Prevention, Detection and Compliance Program	66.804				
<i>Pass-Through To:</i>					
University of Texas at Arlington	66.804				
Leaking Underground Storage Tank Trust Fund Corrective Action Program	66.805				
Superfund State and Indian Tribe Core Program Cooperative Agreements	66.809				
State and Tribal Response Program Grants	66.817				
<i>Pass-Through From</i>					
Texas Water Development Board					
<i>Capitalization Grants for Drinking Water State Revolving Funds</i>	66.468	580		8,584,503.90	
<i>Pass-Through To:</i>					
University of Texas at Arlington	66.468	580		2,361,051.07	
University of Texas at Austin	66.468	580		59,597.04	
Total Environmental Protection Agency				<u>\$ 11,005,152.01</u>	<u>\$ 0.00</u>
U.S. Department of Energy					
<i>Pass-Through From:</i>					
Comptroller - State Energy Conservation Office					
<i>Environmental Monitoring/Cleanup, Cultural and Resource Mgmt., Emerg Resp Res</i>	81.214	907		\$ 165,781.21	\$
Total U.S. Department of Energy				<u>\$ 165,781.21</u>	<u>\$ 0.00</u>
Gulf Coast Ecosystem Restoration Council					
<i>Direct Programs:</i>					
Gulf Coast Ecosystem Restoration Council Comprehensive Plan Component Program	87.051			\$	\$
<i>Pass-Through To:</i>					
Texas A&M University - Corpus Christi	87.051				
Gulf Coast Ecosystem Restoration Council	87.052				
Total Gulf Coast Ecosystem Restoration Council				<u>\$ 0.00</u>	<u>\$ 0.00</u>
U.S. Department of Homeland Security					
<i>Direct Programs:</i>					
National Dam Safety Program	97.041			\$	\$
Biowatch Program	97.091				
Total U.S. Department of Homeland Security				<u>\$ 0.00</u>	<u>\$ 0.00</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE				<u>\$ 11,170,933.22</u>	<u>\$ 0.00</u>
Note 1 - Reconciliation					
Per Combined Statement of Revenues, Expenditures and Changes in Fund Balance (Governmental Fund Types (Exh II):					
Federal Revenues (Exh II)				\$ 48,419,868.85	
Federal Pass-Through Revenues (Exh II)				<u>11,170,933.22</u>	
Total				<u>\$ 59,590,802.07</u>	

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY (582)
-UNAUDITED-

Direct Program Amount	Total Pass Through From & Direct Program	CFDA Number	Pass-Through To			Expenditures Amount	Total Pass Through To & Expenditures
			Agency/ University Number	State Agency/ University Amount	Non-State Entities Amount		
463,899.91	463,899.91	66.605	721	463,899.91			463,899.91
111,202.15	111,202.15	66.605	724	111,202.15			111,202.15
73,839.90	73,839.90	66.605	746	73,839.90			73,839.90
24,390.00	24,390.00	66.608			24,390.00		24,390.00
528,852.00	528,852.00	66.802			528,852.00		528,852.00
72,943.62	72,943.62	66.804			72,943.62		72,943.62
1,430,168.09	1,430,168.09	66.804	714	1,430,168.09			1,430,168.09
3,334,487.00	3,334,487.00	66.805			3,334,487.00		3,334,487.00
253,954.00	253,954.00	66.809			253,954.00		253,954.00
497,411.00	497,411.00	66.817			497,411.00		497,411.00
	8,584,503.90	66.468			8,584,503.90		8,584,503.90
	2,361,051.07	66.468	714	2,361,051.07			2,361,051.07
	59,597.04	66.468	721	59,597.04			59,597.04
<u>\$ 43,808,724.87</u>	<u>\$ 54,813,876.88</u>			<u>\$ 8,770,340.15</u>	<u>\$ 3,516,045.07</u>	<u>\$ 42,527,491.66</u>	<u>\$ 54,813,876.88</u>
<u>\$</u>	<u>\$ 165,781.21</u>	81.214		<u>\$</u>	<u>\$</u>	<u>\$ 165,781.21</u>	<u>\$ 165,781.21</u>
<u>\$ 0.00</u>	<u>\$ 165,781.21</u>			<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 165,781.21</u>	<u>\$ 165,781.21</u>
\$ 86,890.32	\$ 86,890.32	87.051		\$	\$	\$ 86,890.32	\$ 86,890.32
244,182.94	244,182.94	87.051	760	244,182.94			244,182.94
21,895.23	21,895.23	87.052			21,895.23		21,895.23
<u>\$ 352,968.49</u>	<u>\$ 352,968.49</u>			<u>\$ 244,182.94</u>	<u>\$ 0.00</u>	<u>\$ 108,785.55</u>	<u>\$ 352,968.49</u>
\$ 236,519.00	\$ 236,519.00	97.041		\$	\$	\$ 236,519.00	\$ 236,519.00
2,348,081.00	2,348,081.00	97.091			2,348,081.00		2,348,081.00
<u>\$ 2,584,600.00</u>	<u>\$ 2,584,600.00</u>			<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 2,584,600.00</u>	<u>\$ 2,584,600.00</u>
<u>\$ 48,419,868.85</u>	<u>\$ 59,590,802.07</u>			<u>\$ 10,144,275.56</u>	<u>\$ 3,554,658.88</u>	<u>\$ 45,891,867.63</u>	<u>\$ 59,590,802.07</u>

**SCHEDULE 1B - SCHEDULE OF STATE GRANT PASS THROUGH FROM/TO STATE AGENCIES
For the Fiscal Year Ended August 31, 2020**

Pass Through From:

Total Pass Through from Other Agencies (Exh. II) :	\$ <u><u>0.00</u></u> (Exh II)
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Pass Through To:

General Land Office (Agency #305)	\$ 84,994.66
Texas Department of Public Safety (Agency #405)	\$ (38,122,441.89)
Department of State Health Services (Agency #537)	\$ 17,442.87
Texas AgriLife Extension (Agency #555)	\$ 161,738.05
Texas AgriLife Research (Agency #556)	\$ 115,033.41
Texas Division of Emergency Management (Agency #575)	\$ (17,993,780.39)
Texas A&M University (Main University) (Agency #711)	\$ (2,641.26)
Texas Engineering Experiment Station (Agency #712)	\$ 377,905.94
Tarleton State University (Agency #713)	\$ 238,285.10
University of Texas at Arlington (Agency #714)	\$ 3,304,088.26
Texas Southern University (Agency #717)	\$ 48,135.75
University of Texas at Austin (Agency #721)	\$ 1,496,963.86
University of Texas at El Paso (Agency # 724)	\$ 43,093.60
Texas Transportation Institute (Agency #727)	\$ 275,000.00
University of Houston (Agency #730)	\$ 5,059,196.89
University of Texas Rio Grande Valley (Agency #746)	\$ 11,400.17
University of Texas at Tyler (Agency #750)	\$ 12,488.71
Texas A&M University - Corpus Christi (Agency #760)	\$ 23,312.38
Parks & Wildlife Department (Agency #802)	\$ 22,607.00

Total Pass-Through to Other Agencies (Exh. II):	\$ <u><u>(44,827,176.89)</u></u> (Exh II)
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