



A Report on

The Audit of the Permanent School Fund's Fiscal Year 2020 Financial Statements

December 23, 2020

Members of the Legislative Audit Committee:

In our audit report dated December 18, 2020, we concluded that the Permanent School Fund's (the Fund) basic financial statements for fiscal year 2020 were materially correct and presented in accordance with accounting principles generally accepted in the United States of America. The Fund published our audit report as part of its basic financial statements, which it intends to post on its website at <https://tea.texas.gov/finance-and-grants/texas-permanent-school-fund>.

We also issued a report on internal control over financial reporting and on compliance and other matters as required by auditing standards. Our procedures did not identify any material weaknesses in internal control over financial reporting or any noncompliance with laws or regulations that materially affected the financial statements. In addition, the major internal controls that we tested for the purpose of forming our opinions on the financial statements were operating effectively.

Our procedures were not intended to provide an opinion on internal control over financial reporting or to provide an opinion on compliance with laws and regulations. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control over financial reporting or on compliance with laws and regulations.

Auditors communicated certain issues that were not material or significant to the audit objectives in writing to the Fund's management.

As required by auditing standards, we will also communicate to the State Board of Education and School Land Board certain matters related to the conduct of a financial statement audit.

We appreciate the Fund's cooperation during this audit. If you have any questions, please contact Michael Clayton, Audit Manager, or me at (512) 936-9500.

Sincerely,

Lisa R. Collier, CPA, CFE, CIDA
First Assistant State Auditor

SAO Report No. 21-006

cc: The Honorable Greg Abbott, Governor
Members of the State Board of Education

Dr. Keven Ellis, Chair

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Mr. Mike Morath, Commissioner of Education, Texas Education Agency

Mr. Holland Timmins, Executive Administrator and Chief Investment Officer, Permanent School Fund

The Honorable George P. Bush, Land Commissioner

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Mr. Scott Rohrman

Mr. Todd A. Williams

Mr. Mark Havens, Chief Clerk, General Land Office



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