

STATE BAR OF TEXAS - FINANCE DIVISION



Dashboard of Key Financial Trends

General Fund Operating Results for the Year-Ended May 31, 2020

Chart A contains the State Bar's General Fund Budget to Actual Variance for the financial period. This indicates the overall earnings incurred from current year operations.

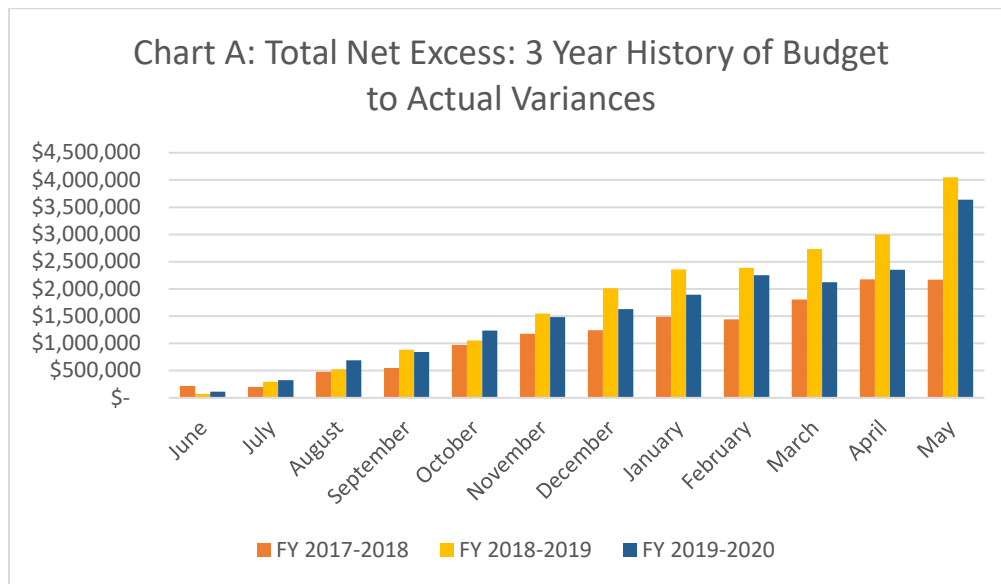


Table 1 contains details of data presented in Chart A above:

Operations of General Fund: Budget to Actual Variances (cumulative)

	FY 2017-2018	FY 2018-2019	FY 2019-2020
June	\$ 216,672	\$ 70,915	\$ 111,071
July	\$ 201,736	\$ 295,712	\$ 322,750
August	\$ 477,125	\$ 524,480	\$ 689,283
September	\$ 546,656	\$ 885,337	\$ 841,894
October	\$ 969,094	\$ 1,056,344	\$ 1,233,358
November	\$ 1,178,479	\$ 1,546,381	\$ 1,485,161
December	\$ 1,242,976	\$ 2,010,521	\$ 1,628,363
January	\$ 1,487,407	\$ 2,359,057	\$ 1,895,262
February	\$ 1,441,399	\$ 2,387,072	\$ 2,251,386
March	\$ 1,804,426	\$ 2,733,334	\$ 2,122,472
April	\$ 2,176,267	\$ 2,999,300	\$ 2,351,385
May	\$ 2,169,908	\$ 4,048,722	\$ 3,637,312

Chart B presents the total Revenues and Expenditures of the State Bar’s General Fund over the previous three years.

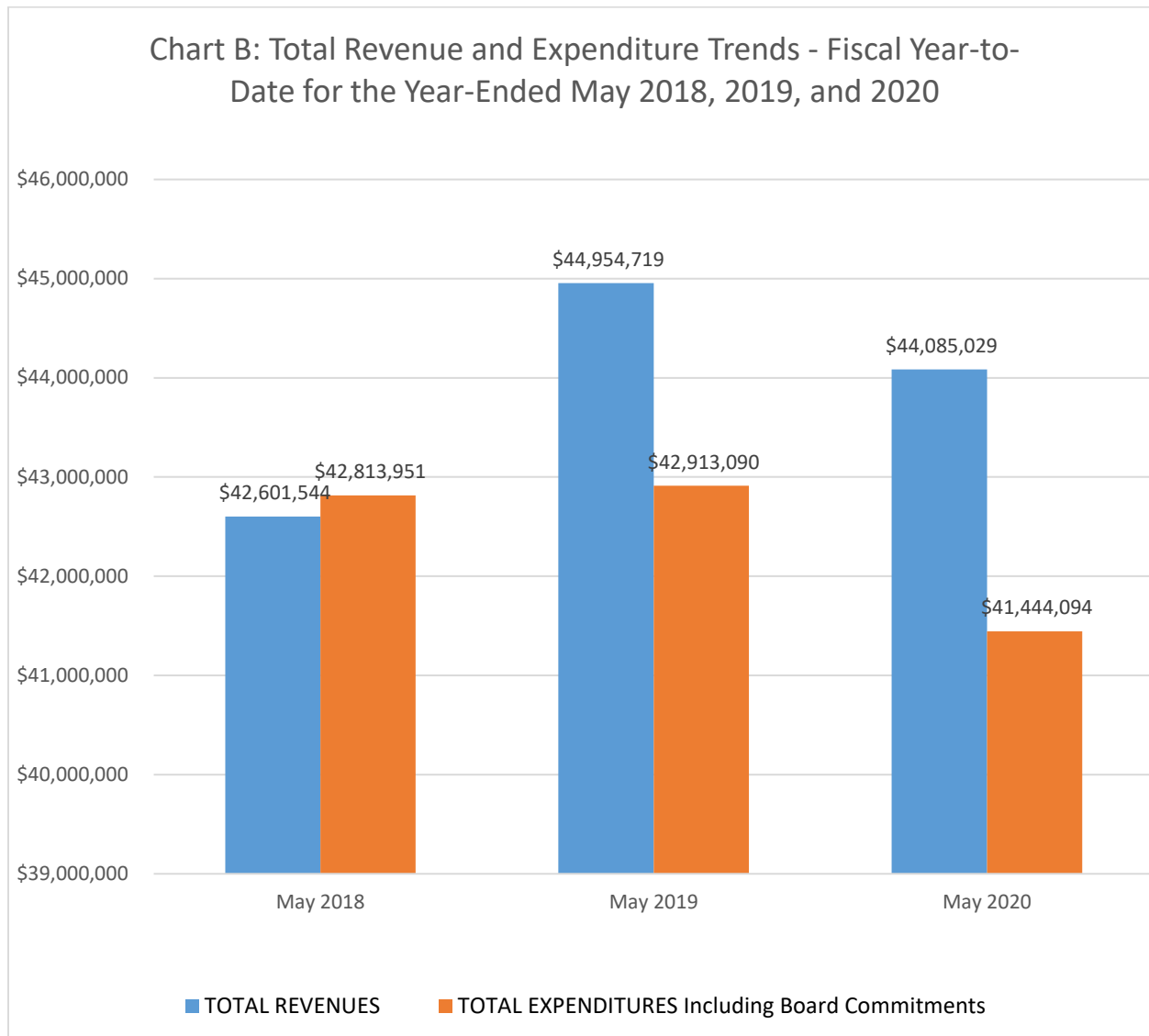


Chart C presents the total revenues by department of the State Bar's General Fund over the previous three years.

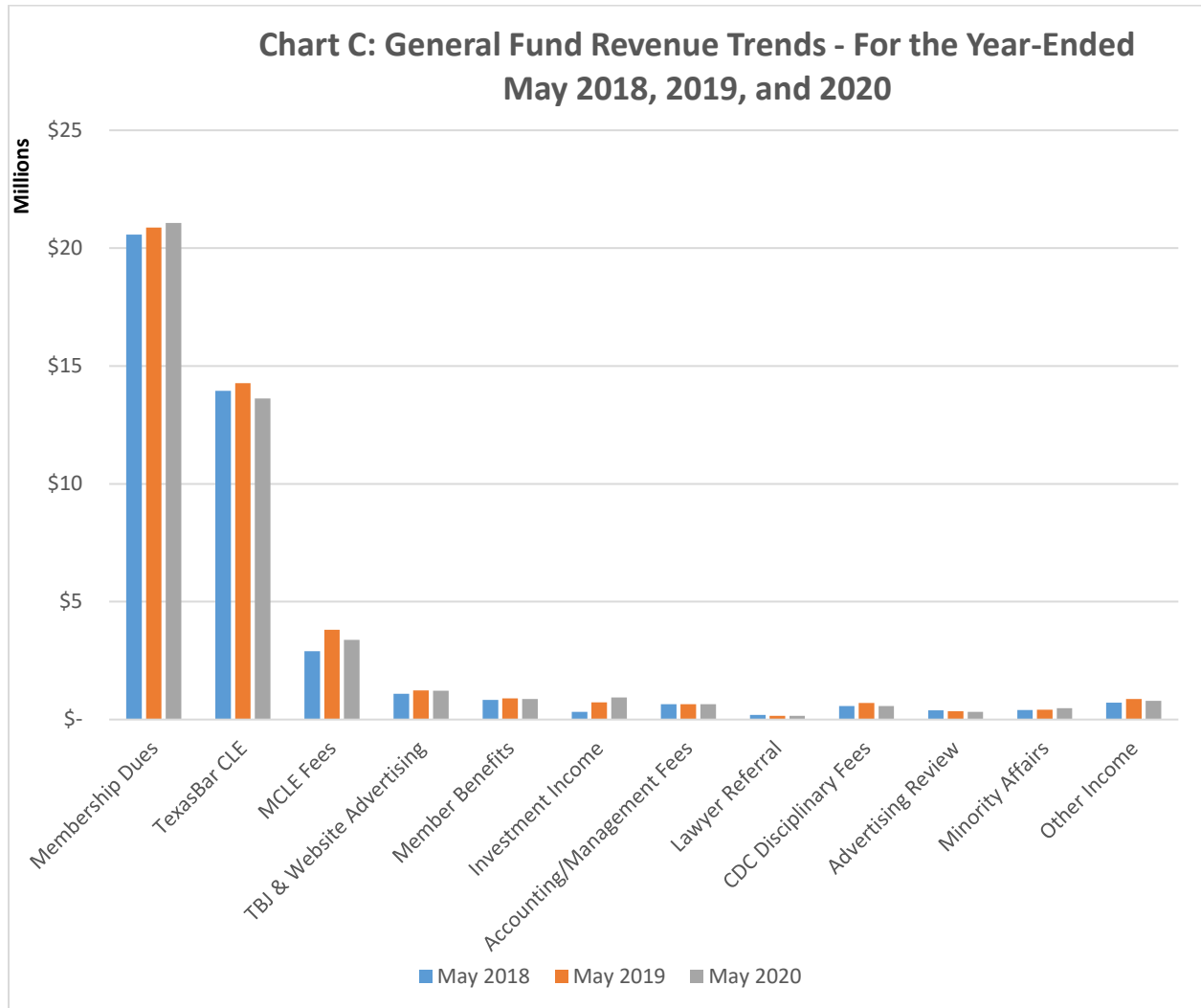
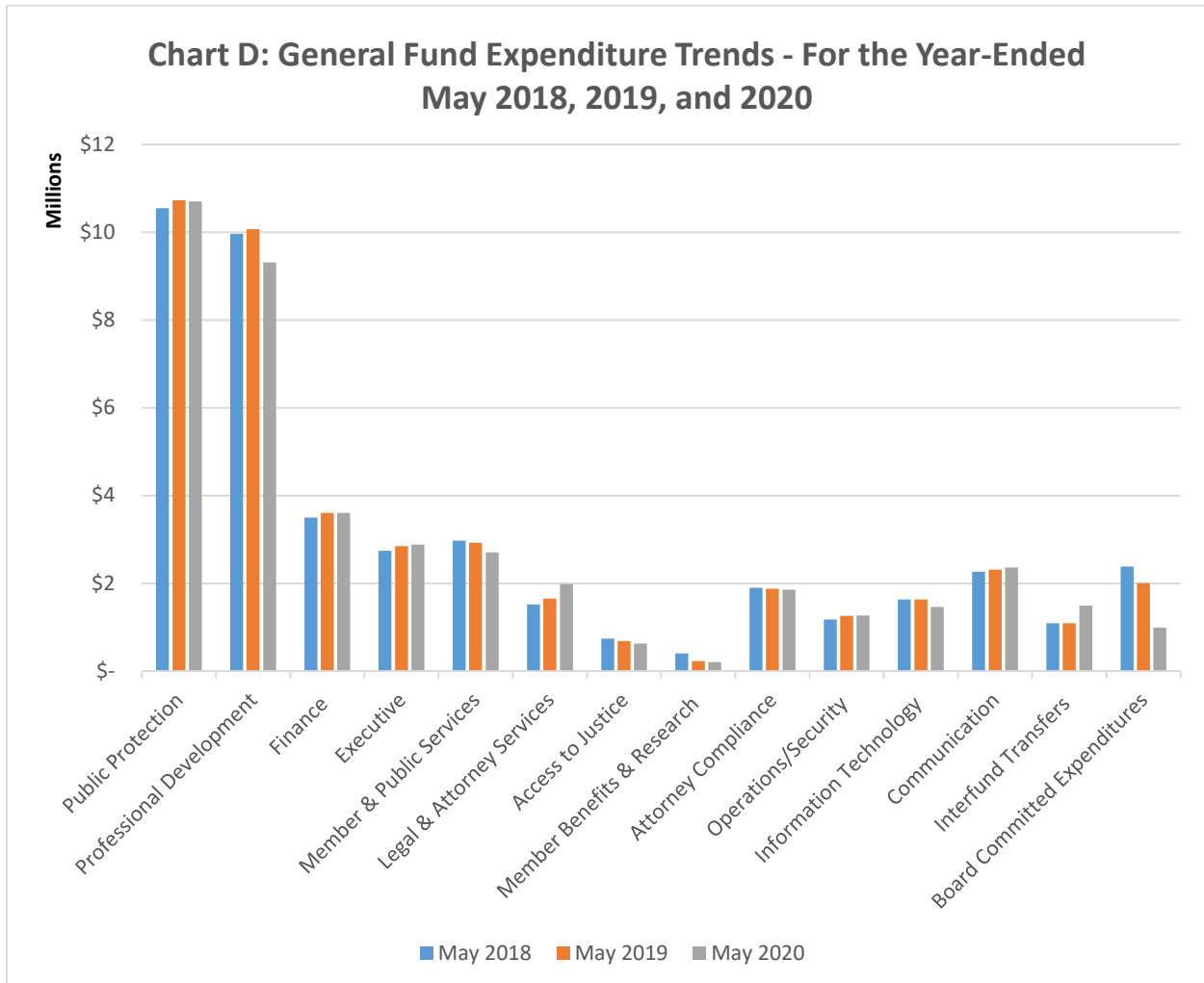


Chart D presents the total revenues by department of the State Bar's General Fund over the previous three years.



**State Bar of Texas General Fund
Financial Highlights
For the Year Ended May 31, 2020
(PREPARED FROM UNAUDITED FINANCIAL REPORTS)**

Total General Fund YTD results – As of May 31, 2020, the General Fund had a net excess of revenues over expenditures and transfers of \$3,637,312 compared to a budgeted net excess of \$0. This resulted in a positive overall variance of \$3,637,312.

	Actual	Budget	Variance	% Variance
Total Revenues	\$44,085,029	\$43,109,214	\$975,815	2%
Total Expenditures and Transfers	40,447,717	43,109,214	2,661,497	6%
Net Excess	\$3,637,312	\$0	\$3,637,312	

Due to the pandemic, the State Bar's revenues for TexasBarCLE, MCLE, Advertising Review and CDC Disciplinary Fees are expected to decrease compared to the budgeted revenues. These losses have been offset by savings in meetings, conferences, and travel expenses due to holding meetings remotely. Overall, the State Bar completed FY2019-2020 with a positive net excess variance.

Revenues

For the year ending May 31, 2020, total revenues exceeded the budget by \$975,815 or 2%, thereby producing a positive actual to budget variance. An analysis of the revenues shows that seven departments had a positive revenue variance in excess of \$100,000 or \$10,000 and 10% for the period ending May 31, 2020.

- **Member Dues** – Total Positive Revenue Variance: \$290,610 or 1% - This positive variance results primarily from higher than anticipated dues collection.
- **Investment Income** – Total Positive Revenue Variance: \$589,130 or 168% - This positive variance is due to a higher than anticipated yield on the State Bar's investment portfolio for the current fiscal year.
- **Minority Affairs** – Total Positive Revenue Variance: \$132,478 or 38% - This positive revenue variance results from a higher than expected number of sponsorships for the Texas Minority Counsel Program.
- **Website Management** – Total Positive Revenue Variance: \$181,256 or 45% - This positive revenue variance results from higher than expected revenue generated in connection with law firm employment advertising.

- Texas Young Lawyers Association – Total Positive Revenue Variance: \$13,820 or 23% from higher than anticipated revenue from the National Trial Competition
- Credit Card Processing Fees – Total Positive Revenue Variance: \$46,615 or 14% - This positive variance results from the convenience fee charged for membership dues credit card transactions. The number of attorneys paying by credit card was greater than anticipated. The convenience fee revenue is completely offset by credit card fees charged by the State Bar's merchant service provider.

An analysis of the revenues shows that the following departments had a negative revenue variance in excess of (\$10,000) and 10% for the year ending May 31, 2020:

- Lawyer Referral – Total Negative Revenue Variance: (\$34,174) or (18%) – This negative revenue variance results from lower than anticipated call volume and referrals.
- Purchasing & Facilities – Total Negative Revenue Variance: (\$15,075) or (32%) – This negative variance results from lost copier center revenue due to building closure in connection with COVID-19. This variance is offset by reduced expenditures related to copy supplies.
- Advertising Review – Total Negative Revenue Variance: (\$50,700) or (13%) – This negative revenue variance is due, in part to lower than anticipated advertising review submissions, and due to the downturn in the economy as a result of the pandemic.

Expenditures

For the year ending May 31, 2020, total expenditures were under the allocated budget by \$2,661,497 or 6%, which resulted in a positive actual to budget variance.

An analysis of the expenditures shows that six departments, Special Financial Advisor, Local Bars, Access to Justice Commission, Advertising Review, Information Technology, and Printing had large positive expenditure variances in excess of \$10,000 and 10% in salaries and benefits due to open positions and/or reduction in salary expenses due to replacing long-term employees.

An analysis of the expenditures shows that the following departments had positive expense variances in excess of \$10,000 and 10% for the year ending May 31, 2020:

- Associate Executive Director/Legal Counsel – Total Positive Expenditure Variance: \$67,906 or 10% - This positive expenditure variance results primarily from professional services. This positive variance results from the legal counsel's office experiencing a limited need during the current fiscal year to retain additional outside counsel.
- Officers & Directors – Total Positive Expenditure Variance: \$129,223 or 15% - This positive expenditure variance results from cancellation of, and/or change to, virtual meetings and associated travel to prevent the spread of COVID-19.

- Training & Tuition – Total Positive Expenditure Variance: \$20,107 or 28% This positive variance results from the use of online training rather than live training during the fiscal year.
- TYLA – Total Positive Expenditure Variance: \$218,585 or 22% - This positive expenditure variance results primarily from lower than expected costs for meetings and travel due to remotely hosting the April board meeting to prevent the spread of COVID-19.
- Special Events – Total Positive Expenditure Variance: \$26,905 or 37% - This positive expenditure variance results from cancellation of, and/or change to, virtual meetings and associated travel to prevent the spread of COVID-19.
- Legal Access Division – Total Positive Expenditure Variance: \$147,644 or 10% - This positive expenditure variance results from cancellation of, and/or change to, virtual meetings and associated travel to prevent the spread of COVID-19.
- Member Benefits – Total Positive Expenditure Variance: \$171,902 or 84%- results from an accounting reclassification of expenditures that will be addressed in the upcoming budget cycle.
- Web Management – Total Positive Expenditure Variance: \$45,773 or 11% - This positive expenditure variance results from a reduction in professional services needed by eliminating an underperforming program. Additionally, a payment for Legal Talk Network was deferred until fiscal year 2021.
- Unauthorized Practice of Law – Total Positive Expenditure Variance: \$57,412 or 34% - This positive expenditure variance results from cancellation of, and/or change to, meetings and associated travel due to COVID-19 restrictions.

An analysis of expenditures shows that one department had negative expenditure variances in excess of (\$10,000) and (10%) for the period ending May 31, 2020.

- Minority Affairs – Total Negative Expenditure Variance: (\$100,249) or (20%) – This negative variance results from an increase in additional conference expenses which were offset by additional revenue collected from sponsorship and contributions.

TexasBarCLE (TBCLE)

For the year ending May 31, 2020, TexasBarCLE's net revenues over expenditures amount exceeded its budget target by \$909,000 or 23%, thereby producing a positive actual to budget variance.

	Actual	Budget	Variance	% Variance
TBCLE Revenues	\$13,628,001	\$13,955,703	(\$327,702)	(2%)
TBCLE Expenditures	8,713,811	9,950,513	1,236,702	12%
Net TBCLE Income	\$4,914,190	\$4,005,190	\$909,000	23%

Due to the pandemic, all originally scheduled live courses beginning in mid-March are being held as a webcast through September 2020. TexasBarCLE also has provided 6 hours of free online CLE in order to assist lawyers with COVID related legal issues, which equates to more than \$1,000,000 worth of free CLE during fiscal year 2020, if all of those participating would have paid for the course. These changes have affected TBCLE's live course revenue, as some members requested a refund, or the course was deferred to the new fiscal year when it may be able to be held in-person. The cancelation of live courses has decreased revenue by an anticipated (\$600,000) for the fiscal year; however, savings in meetings and conferences expenses offset the loss in revenue, resulting in a positive net variance of \$909,000.

In comparing TBCLE's performance to previous years, it is appropriate to make two comparisons: (1) compare the current fiscal year 19-20 to the previous fiscal year 18-19; and (2) compare the current fiscal year 19-20 to fiscal year 17-18. Fiscal years ending in odd numbers are considered to be "non-legislative years", in other words, they do not follow a legislative session. Fiscal years ending in even numbers are considered to be "legislative years" because they do follow a legislative session and TBCLE generally sees a surge in revenues following a legislative year. The surge in revenue generally results from legal issues arising during the legislative process; thereby creating a need for new or revised CLE programs.

In comparing actual revenues and expenditure amounts for the period ending May 31, 2020 to the prior period ending May 31, 2019, we see a decrease in revenues of (\$647,156) or (5%), and a decrease in expenditures of \$804,390 or 8% for an overall increase in net revenues of \$157,234 or 3%. This is showing the difference between financial performances based on a comparison to a "non-legislative year".

In comparing actual revenues and expenditure amounts for the current period ending May 31, 2020, to the period ending May 31, 2018, we see a decrease in revenue of (\$313,848) or (2%) and a decrease in expenditures of \$750,102 or 8% for an overall increase in net revenues of \$436,254 or 10%. This is showing the difference between financial performances based on a comparison of two "legislative years."

Salaries and Benefits

For FY 2019-2020, the salaries and benefits budget totals \$24,381,427 or 56.6% of the overall \$43,109,214 General Fund budget before budgeted board commitments. The \$24,381,427 includes a 4% vacancy rate. The actual vacancy factor for the period ending May 31, 2020 was 5.0%. The actual salary and benefit expenditures had a \$25,126 positive variance to budget at the end of May 2020.

Budget	\$ 24,381,427
Actual	<u>24,356,301</u>
Variance	<u>\$ 25,126</u>

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Twelve Months Ending May 31, 2020
UNAUDITED

	Annual Budget	YTD Budget	YTD Actual	YTD Variance \$ Fav/(Unfav)	YTD Variance % Fav/(Unfav)	YTD Budget Prior Year	YTD Actual Prior Year	YTD Prior Year Variance \$ Fav/(Unfav)	YTD Prior Year Variance % Fav/(Unfav)
REVENUES:									
Membership Dues	\$20,783,246	\$20,783,246	\$21,073,856	\$290,610	1%	\$20,372,039	\$20,869,303	\$497,264	2%
Accounting/Management Fees	650,351	650,351	650,351			650,351	650,351		
Texas Bar Journal	629,878	629,878	632,031	2,153	0%	580,600	648,238	67,638	12%
Leadership SBOT	10,000	10,000	7,000	(3,000)	(30%)	10,000	3,500	(6,500)	(65%)
MCLE Fees	3,257,183	3,257,183	3,376,884	119,701	4%	3,115,250	3,804,158	688,908	22%
TexasBar CLE	13,955,703	13,955,703	13,628,001	(327,702)	(2%)	13,777,842	14,275,158	497,316	4%
Investment Income	350,000	350,000	939,130	589,130	168%	185,000	731,489	546,489	295%
Lawyer Referral	190,000	190,000	155,826	(34,174)	(18%)	190,000	150,904	(39,096)	(21%)
Member Benefits	844,909	844,909	872,804	27,895	3%	915,766	899,972	(15,794)	(2%)
CDC Disciplinary Fees	553,240	553,240	567,183	13,943	3%	535,000	703,979	168,979	32%
Membership	14,475	14,475	13,078	(1,397)	(10%)	13,000	13,675	675	5%
Local Bars	12,600	12,600	6,700	(5,900)	(47%)	12,500	17,550	5,050	40%
Minority Affairs	350,000	350,000	482,478	132,478	38%	335,000	413,301	78,301	23%
Information Technology Dept.	1,200	1,200	1,200			1,200	1,200		
Website	405,000	405,000	586,256	181,256	45%	365,000	588,026	223,026	61%
Legal Access Division	23,000	23,000	17,275	(5,725)	(25%)	11,000	16,800	5,800	53%
Law Related Education	9,256	9,256	9,550	294	3%	15,500	14,550	(950)	(6%)
TYLA	60,000	60,000	73,820	13,820	23%	60,000	81,716	21,716	36%
Law Student Division	6,000	6,000	6,540	540	9%	6,000	7,100	1,100	18%
Purchasing & Facilities	46,500	46,500	31,425	(15,075)	(32%)	49,403	45,102	(4,301)	(9%)
Advertising Review	380,000	380,000	329,300	(50,700)	(13%)	370,000	351,895	(18,105)	(5%)
Miscellaneous, Sales Tax Discounts, Etc.	74,000	74,000	75,053	1,053	1%	72,000	120,109	48,109	67%
Credit Card Processing Fees	330,000	330,000	376,615	46,615	14%	290,000	373,970	83,970	29%
Rent	172,673	172,673	172,673			179,440	172,673	(6,767)	(4%)
TOTAL REVENUES	43,109,214	43,109,214	44,085,029	975,815	2%	42,111,891	44,954,719	2,842,828	7%
EXPENDITURES									
Executive Division									
Executive Director	670,896	670,896	629,378	41,518	6%	627,410	634,644	(7,234)	(1%)
Associate Executive Director/Legal Counsel	661,868	661,868	593,962	67,906	10%	518,566	578,667	(60,101)	(12%)
Deputy Executive Director	226,500	226,500	213,875	12,625	6%	222,945	206,736	16,209	7%
Deputy Executive Director/External Affairs	261,955	261,955	248,517	13,438	5%	274,165	247,424	26,741	10%
Special Financial Advisor	193,491	193,491	129,674	63,817	33%	75,000	164,789	(89,789)	(120%)
Officers & Directors	850,117	850,117	720,894	129,223	15%	836,836	687,228	149,608	18%
Human Resources	294,760	294,760	294,737	23	0%	280,789	288,302	(7,513)	(3%)
Training/Tuition	71,133	71,133	51,026	20,107	28%	71,133	40,032	31,101	44%
Total Executive Division	3,230,720	3,230,720	2,882,063	348,657	11%	2,906,844	2,847,822	59,022	2%

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Twelve Months Ending May 31, 2020
UNAUDITED

	Annual Budget	YTD Budget	YTD Actual	YTD Variance \$ Fav/(Unfav)	YTD Variance % Fav/(Unfav)	YTD Budget Prior Year	YTD Actual Prior Year	YTD Prior Year Variance \$ Fav/(Unfav)	YTD Prior Year Variance % Fav/(Unfav)
Member & Public Services Division									
Member & Public Services Division Director						118,324		118,324	100%
Center for Legal History	154,037	154,037	143,553	10,484	7%	149,785	144,038	5,747	4%
Law Related Education	512,851	512,851	488,228	24,623	5%	508,232	500,057	8,175	2%
Governmental Relations	173,238	173,238	166,297	6,941	4%	156,607	163,604	(6,997)	(4%)
Texas Young Lawyers Association	1,010,999	1,010,999	792,414	218,585	22%	927,418	915,272	12,146	1%
LeadershipSBOT	98,672	98,672	89,304	9,368	9%	94,000	100,150	(6,150)	(7%)
Sections	335,660	335,660	334,337	1,323	0%	318,519	313,717	4,802	2%
Local Bars	455,312	455,312	375,919	79,393	17%	446,571	364,382	82,189	18%
Special Events	73,604	73,604	46,699	26,905	37%	73,604	92,143	(18,539)	(25%)
Law Student Department	20,266	20,266	10,556	9,710	48%	20,266	16,383	3,883	19%
SBOT Volunteer Committees	280,510	280,510	259,898	20,612	7%	289,467	311,473	(22,006)	(8%)
Total Member & Public Services Division	<u>3,115,149</u>	<u>3,115,149</u>	<u>2,707,205</u>	<u>407,944</u>	<u>13%</u>	<u>3,102,793</u>	<u>2,921,219</u>	<u>181,574</u>	<u>6%</u>
Legal & Attorney Services Division									
Legal & Attorney Services Division Director	229,745	229,745	224,846	4,899	2%	222,971	218,968	4,003	2%
Texas Lawyers Assistance Program	401,146	401,146	382,367	18,779	5%	455,312	408,716	46,596	10%
Legal Access Division	1,521,608	1,521,608	1,373,964	147,644	10%	1,036,508	1,028,097	8,411	1%
Total Legal & Attorney Services Division	<u>2,152,499</u>	<u>2,152,499</u>	<u>1,981,177</u>	<u>171,322</u>	<u>8%</u>	<u>1,714,791</u>	<u>1,655,781</u>	<u>59,010</u>	<u>3%</u>
Access to Justice Commission	<u>840,127</u>	<u>840,127</u>	<u>626,730</u>	<u>213,397</u>	<u>25%</u>	<u>827,206</u>	<u>682,368</u>	<u>144,838</u>	<u>18%</u>
Member Benefits	<u>203,463</u>	<u>203,463</u>	<u>31,561</u>	<u>171,902</u>	<u>84%</u>	<u>343,218</u>	<u>59,166</u>	<u>284,052</u>	<u>83%</u>
Research & Analysis	<u>179,700</u>	<u>179,700</u>	<u>172,209</u>	<u>7,491</u>	<u>4%</u>	<u>167,645</u>	<u>167,827</u>	<u>(182)</u>	<u>(0%)</u>
Professional Development Division									
Texas Bar CLE	9,950,513	9,950,513	8,713,811	1,236,702	12%	10,174,142	9,518,197	655,945	6%
Minority Affairs	498,601	498,601	598,850	(100,249)	(20%)	460,478	548,964	(88,486)	(19%)
Total Professional Development	<u>10,449,114</u>	<u>10,449,114</u>	<u>9,312,661</u>	<u>1,136,453</u>	<u>11%</u>	<u>10,634,620</u>	<u>10,067,161</u>	<u>567,459</u>	<u>5%</u>
Attorney Compliance Division									
Office of Attorney Compliance Director	181,703	181,703	181,285	418	0%	176,564	168,848	7,716	4%
Advertising Review	183,126	183,126	143,215	39,911	22%	182,597	182,465	132	0%
Client Attorney Assistance Program	545,835	545,835	542,598	3,237	1%	547,352	531,420	15,932	3%
Lawyer Referral	361,847	361,847	369,199	(7,352)	(2%)	353,692	356,154	(2,462)	(1%)
MCLE	603,280	603,280	619,947	(16,667)	(3%)	579,699	640,613	(60,914)	(11%)
Total Attorney Compliance Division	<u>1,875,791</u>	<u>1,875,791</u>	<u>1,856,244</u>	<u>19,547</u>	<u>1%</u>	<u>1,839,904</u>	<u>1,879,500</u>	<u>(39,596)</u>	<u>(2%)</u>
Operations/Security Division									
Purchasing & Facilities	1,258,803	1,258,803	1,263,678	(4,875)	(0%)	1,240,950	1,256,653	(15,703)	(1%)
Total Operations/Security Division	<u>1,258,803</u>	<u>1,258,803</u>	<u>1,263,678</u>	<u>(4,875)</u>	<u>(0%)</u>	<u>1,240,950</u>	<u>1,256,653</u>	<u>(15,703)</u>	<u>(1%)</u>
Finance Division									
Accounting	946,709	946,709	980,666	(33,957)	(4%)	936,017	972,063	(36,046)	(4%)
Membership	706,016	706,016	670,866	35,150	5%	832,080	703,531	128,549	15%
Other Administrative	1,836,698	1,836,698	1,951,085	(114,387)	(6%)	1,770,550	1,932,022	(161,472)	(9%)
Total Finance Division	<u>3,489,423</u>	<u>3,489,423</u>	<u>3,602,617</u>	<u>(113,194)</u>	<u>(3%)</u>	<u>3,538,647</u>	<u>3,607,616</u>	<u>(68,969)</u>	<u>(2%)</u>

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Twelve Months Ending May 31, 2020
UNAUDITED

	Annual Budget	YTD Budget	YTD Actual	YTD Variance \$ Fav/(Unfav)	YTD Variance % Fav/(Unfav)	YTD Budget Prior Year	YTD Actual Prior Year	YTD Prior Year Variance \$ Fav/(Unfav)	YTD Prior Year Variance % Fav/(Unfav)
Information Technology Division									
Information Technology	1,317,699	1,317,699	1,068,379	249,320	19%	1,304,534	1,230,266	74,268	6%
Customer Service	376,826	376,826	392,960	(16,134)	(4%)	370,930	399,408	(28,478)	(8%)
Total Information Technology Division	<u>1,694,525</u>	<u>1,694,525</u>	<u>1,461,339</u>	<u>233,186</u>	<u>14%</u>	<u>1,675,464</u>	<u>1,629,674</u>	<u>45,790</u>	<u>3%</u>
Communications Division									
Office of Communications Director	254,629	254,629	247,721	6,908	3%	249,259	237,264	11,995	5%
Bar Journal	1,212,173	1,212,173	1,310,104	(97,931)	(8%)	1,210,030	1,302,338	(92,308)	(8%)
Printing	136,797	136,797	110,632	26,165	19%	165,407	134,959	30,448	18%
Graphics	163,177	163,177	171,026	(7,849)	(5%)	162,342	169,362	(7,020)	(4%)
Public Information	155,636	155,636	154,269	1,367	1%	169,455	143,062	26,393	16%
Web Management	412,484	412,484	366,711	45,773	11%	395,862	323,954	71,908	18%
Total Communications Division	<u>2,334,896</u>	<u>2,334,896</u>	<u>2,360,463</u>	<u>(25,567)</u>	<u>(1%)</u>	<u>2,352,355</u>	<u>2,310,939</u>	<u>41,416</u>	<u>2%</u>
Public Protection Division									
Chief Disciplinary Counsel	9,942,758	9,942,758	9,936,221	6,537	0%	9,829,435	9,898,237	(68,802)	(1%)
Grievance Oversight Committee	48,800	48,800	45,549	3,251	7%	48,800	38,734	10,066	21%
Unauthorized Practice of Law	170,000	170,000	112,588	57,412	34%	170,000	184,373	(14,373)	(8%)
Professional Ethics Commission	12,000	12,000	8,943	3,057	25%	11,080	9,152	1,928	17%
Board of Disciplinary Appeals	622,646	622,646	597,669	24,977	4%	619,339	600,975	18,364	3%
Total Public Protection Division	<u>10,796,204</u>	<u>10,796,204</u>	<u>10,700,970</u>	<u>95,234</u>	<u>1%</u>	<u>10,678,654</u>	<u>10,731,471</u>	<u>(52,817)</u>	<u>(0%)</u>
TOTAL EXPENDITURES	<u>41,620,414</u>	<u>41,620,414</u>	<u>38,958,917</u>	<u>2,661,497</u>	<u>6%</u>	<u>41,023,091</u>	<u>39,817,197</u>	<u>1,205,894</u>	<u>3%</u>
Transfers to:									
Bldg & Equip Fund	288,800	288,800	288,800			288,800	288,800		
Technology Fund	500,000	500,000	500,000			500,000	500,000		
Client Security Fund	700,000	700,000	700,000			300,000	300,000		
TOTAL TRANSFERS	<u>1,488,800</u>	<u>1,488,800</u>	<u>1,488,800</u>			<u>1,088,800</u>	<u>1,088,800</u>		
TOTAL EXPENDITURES & TRANSFERS	<u>43,109,214</u>	<u>43,109,214</u>	<u>40,447,717</u>	<u>2,661,497</u>	<u>6%</u>	<u>42,111,891</u>	<u>40,905,997</u>	<u>1,205,894</u>	<u>3%</u>

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Twelve Months Ending May 31, 2020
UNAUDITED

	Annual Budget	YTD Budget	YTD Actual	YTD Variance \$ Fav/(Unfav)	YTD Variance % Fav/(Unfav)	YTD Budget Prior Year	YTD Actual Prior Year	YTD Prior Year Variance \$ Fav/(Unfav)	YTD Prior Year Variance % Fav/(Unfav)
Excess (Deficit) of Revenues Over Expenditures & Transfers			<u>3,637,312</u>	<u>3,637,312</u>			<u>4,048,722</u>	<u>4,048,722</u>	
BOARD COMMITMENTS									
Board Commitment - SLRAP	515,000	515,000	515,000			350,000	350,000		
Board Commitment - Client Security Fund						800,000	800,000		
Board Commitment - Technology Fund	150,000	150,000	150,000						
Board Commitment - Texas Opportunity & Justice Incubator Program	571,088	571,088	81,947	489,141	86%	755,278	184,190	571,088	76%
Board Commitment - Presidential Initiatives	126,641	126,641	13,224	113,417	90%	157,867	31,226	126,641	80%
Board Commitment - Statewide Pro Bono Campaign	148,161	148,161	6,186	141,975	96%	159,060	10,899	148,161	93%
Board Commitment - LAD 2018 Board Commitments	44,251	44,251	44,251			556,772	555,790	982	0%
Board Commitment - Rules Vote Reserve	100,000	100,000		100,000	100%	100,000		100,000	100%
Board Commitment - Run-Off Election Reserve	70,000	70,000		70,000	100%	70,000		70,000	100%
Board Commitment - Ethics Initiatives	11,943	11,943	448	11,495	96%	12,431	488	11,943	96%
Board Commitment - Document Preservation						50,000	50,000		
Board Commitment - Archives Digitization Project	75,500	75,500	12,000	63,500	84%	100,000	24,500	75,500	76%
Board Commitment - LRE Projects	79,500	79,500	73,321	6,179	8%				
Board Commitment - Texas Law Center Renovations	100,000	100,000	100,000						
TOTAL BOARD COMMITMENTS	<u>1,992,084</u>	<u>1,992,084</u>	<u>996,377</u>	<u>995,707</u>	<u>50%</u>	<u>3,111,408</u>	<u>2,007,093</u>	<u>1,104,315</u>	<u>35%</u>
TOTAL YTD INCREASE (REDUCTION) IN FUND BALANCE	<u>(1,992,084)</u>	<u>(1,992,084)</u>	<u>2,640,935</u>	<u>4,633,019</u>	<u>233%</u>	<u>(3,111,408)</u>	<u>2,041,629</u>	<u>5,153,037</u>	<u>166%</u>

**State Bar of Texas
General Fund
Balance Sheet
As of May 31, 2020
UNAUDITED**

	YTD	Prior YTD
<hr/>		
Assets		
Cash & Money Market Funds	\$ 8,258,304	\$ 4,741,369
Investments	21,558,859	27,718,215
Adjust Investments to Market	374,972	59,630
Total Cash and Investments at FMV	<hr/> 30,192,135	<hr/> 32,519,214
Accounts Receivable:		
Net Accounts Receivable - Sales	91,151	43,703
Accrued Interest	84,637	48,448
Interfund	4,390,953	4,666,126
Other	335,243	299,998
Inventory	11,572	12,070
Prepaid Expenditures	<hr/> 802,933	<hr/> 847,384
Total Assets	<hr/> <hr/> \$ 35,908,624	<hr/> <hr/> \$ 38,436,944
Liabilities and Fund Equity		
Liabilities		
Accounts Payable:		
Cash - A/P		
Trade	\$ 819,187	\$ 1,273,484
Interfund	3,349,297	4,809,455
Accrued Liabilities	387,556	391,354
Deferred Revenue -		
Membership Dues	8,879,134	12,368,611
Other	1,280,870	1,502,103
Other Liabilities	<hr/> 801,774	<hr/> 342,061
Total Liabilities	<hr/> <hr/> \$ 15,517,818	<hr/> <hr/> \$ 20,687,068

**State Bar of Texas
General Fund
Balance Sheet
As of May 31, 2020
UNAUDITED**

	YTD	Prior YTD
<hr/>		
Liabilities and Fund Equity Continued		
Fund Balances		
Nonspendable - Prepaids at May 31, 2019	\$ 847,384	
Nonspendable - Inventory at May 31, 2019	12,070	
Nonspendable - Investments FMV Adjustment at May 31, 2019	59,630	
Board Committed - Minimum Reserve January 2020	11,140,350	
Board Committed - Technology Fund	1,390,000	
Board Committed - Texas Opportunity and Justice Incubator Program	571,088	
Board Committed - Legal Reserve Account	100,000	
Board Committed - Client Security Fund	333,333	
Board Committed - Reserve for Future Board Commitments	866,667	
Board Committed - Sheeran Crowley Memorial Trust	225,000	
Board Committed - Presidential Initiatives	200,000	
Board Committed - Law Practice Resource Management Website	200,000	
Board Committed - Statewide Pro Bono Campaign	148,161	
Board Committed - Legal Access Division Programs	44,251	
Board Committed - Ethics Initiatives	11,943	
Board Committed - Contingency for SCBP	75,000	
Board Committed - Public Information Campaign	20,000	
Board Committed - Archives Digitization Project	75,500	
Board Committed - Law Focused Education Programs	79,500	
Board Committed - Texas Law Center Renovations	100,000	
Board Committed - Student Loan Repayment Assistance Program	1,030,000	
Board Committed - Run-off Election Reserve	70,000	
Board Committed - Referendum Reserve	150,000	
Total Fund Balance at May 31, 2019	<u>\$ 17,749,877</u>	<u>\$ 15,708,251</u>
Current Year Operations		
Nonspendable - Prepaids at May 31, 2020	(44,451)	
Nonspendable - Inventory at May 31, 2020	(498)	
Nonspendable - Investments FMV Adjustment at May 31, 2020	315,342	
Board Committed Expenditures - Student Loan Repayment Assistance Program	(515,000)	
Board Committed Expenditures - Technology Fund	(150,000)	
Board Committed Expenditures - Texas Opportunity & Justice Incubator Program	(81,947)	
Board Committed Expenditures - Presidential Initiatives	(13,224)	
Board Committed Expenditures - Statewide Pro Bono Campaign	(6,186)	
Board Committed Expenditures - Legal Access Division Initiatives	(44,251)	
Board Committed Expenditures - Ethics Initiative	(448)	
Board Committed Expenditures - Archives Digitization Project	(12,000)	
Board Committed Expenditures - LRE Programs	(73,321)	
Board Committed Expenditures - Texas Law Center Renovations	(100,000)	
Amount Available for Board Commitment from Current Year Operations	<u>3,366,913</u>	
Total Current Year Increase (Reduction) in Fund Balance	<u>2,640,929</u>	<u>2,041,627</u>
Total Fund Balance	<u>\$ 20,390,806</u>	<u>\$ 17,749,876</u>
Total Liabilities and Fund Balance	<u><u>\$ 35,908,624</u></u>	<u><u>\$ 38,436,944</u></u>

State Bar of Texas
Texas Bar Books
Statement of Revenues and Expenses
For the Twelve Months Ending May 31, 2020
UNAUDITED

	Y-T-D Budget	Y-T-D Actual	Budget %	2019-2020 Budget
Revenues:				
Book Sales Net of Estimated Returns	\$1,975,650	\$1,782,482	10%	\$1,975,650
Online Sales	505,686	523,743	(4%)	505,686
Total Sales	2,481,336	2,306,225	7%	2,481,336
Fees	18,000	28,392	(58%)	18,000
Interest	9,000	9,366	(4%)	9,000
Royalty	1,226,000	1,227,199	(0%)	1,226,000
Other Revenue	101,826	0	100%	101,826
Total Revenues	<u>3,836,162</u>	<u>3,571,182</u>	<u>7%</u>	<u>3,836,162</u>
Cost of Goods Sold:				
Finished Products	405,008	312,451	23%	405,008
Inventory Reserve Adjustment	0	(11,045)	0%	0
Royalties	141,388	148,732	(5%)	141,388
Other	100,000	209,305	(109%)	100,000
Total Cost of Goods Sold	<u>646,396</u>	<u>659,443</u>	<u>(2%)</u>	<u>646,396</u>
Operating Expenses:				
Salaries	1,336,761	1,364,415	(2%)	1,336,761
Benefits	451,306	434,810	4%	451,306
Travel	46,450	28,990	38%	46,450
Meetings & Conferences	1,800	2,573	(43%)	1,800
Professional Services	74,926	45,578	39%	74,926
Publicity/Advertising	15,000	1,220	92%	15,000
Publicity/Advertising for Specific Titles	44,000	23,230	47%	44,000
Dues/Subscriptions/Licenses	53,576	64,292	(20%)	53,576
Education/Training	13,430	11,705	13%	13,430
Supplies/Awards/Gifts/Spec. Items	23,001	25,279	(10%)	23,001
Rentals - Office, Equipment, Storage	167,988	162,186	3%	167,988
Maintenance/Repair	32,100	30,600	5%	32,100
Postage and Freight	170,330	144,584	15%	170,330
Telephone	5,500	3,862	30%	5,500
Insurance	6,000	6,950	(16%)	6,000
Administrative Fee	550,456	542,548	1%	550,456
Bad Debts	64,209	34,022	47%	64,209
Capital Lease Expense	9,800	9,680	1%	9,800
Printing	0	(2,048)	0%	0
Copying	540	1,448	(168%)	540
Miscellaneous	0	110	0%	0
Total Operating Expenses	<u>3,067,173</u>	<u>2,936,034</u>	<u>4%</u>	<u>3,067,173</u>
Total Expenses	<u>3,713,569</u>	<u>3,595,477</u>	<u>3%</u>	<u>3,713,569</u>
Net Income/(Loss)	<u>\$ 122,593</u>	<u>\$ (24,295)</u>	<u>120%</u>	<u>\$ 122,593</u>

State Bar of Texas
Texas Bar Books
Statement of Net Position
As of May 31, 2020
UNAUDITED

	YTD	Prior YTD
Assets		
Net Accounts Receivable - Sales	\$ 759,469	\$ 394,005
Accounts Receivable - Other		7,488
Interfund Receivable - General Fund	369,774	741,033
Inventory		
Inventory - Finished Goods	409,400	621,941
Inventory - Work in Process	114,803	66,175
Less Inventory - Reserve	<u>(121,557)</u>	<u>(132,602)</u>
Total Inventory Less Reserves	402,646	555,514
Prepaid Expenditures	1,745	498
Fixed Assets:		
Equipment/Software	533,820	353,637
Less Accumulated Depreciation	<u>(318,315)</u>	<u>(318,315)</u>
Net Fixed Assets	<u>215,505</u>	<u>35,322</u>
Total Assets	<u>\$ 1,749,139</u>	<u>\$ 1,733,860</u>
Liabilities and Net Position		
Liabilities		
Payables	\$ 97,548	\$ 50,601
Deferred Revenue	(2,433)	9,035
Compensable Leave	101,516	97,422
Total Liabilities	<u>196,631</u>	<u>157,058</u>
Net Position		
Net Position at May 31, 2019	1,576,802	1,754,451
Current Year Revenues	3,571,183	3,436,024
Current Year Expenditures	(3,595,477)	(3,613,673)
Current Year Operations	<u>(24,294)</u>	<u>(177,649)</u>
Total Net Position at May 31, 2020	<u>1,552,508</u>	<u>1,576,802</u>
Total Liabilities and Net Position	<u>\$ 1,749,139</u>	<u>\$ 1,733,860</u>

State Bar of Texas
Client Security Fund
Statement of Revenues & Expenditures
For the Twelve Months Ending May 31, 2020
UNAUDITED

Revenues:

Interest	\$ 53,172
Restitution/Other Income	38,920
Total Revenues	<u>92,092</u>

Expenditures:

Claims	719,011
Banking Fees	200
Total Expenditures	<u>719,211</u>

Excess (Deficit) of Revenue Over Expenditures	<u>(627,119)</u>
--	------------------

General Fund Operating Transfer In	700,000
Total Transfers In from General Fund	<u>700,000</u>

Net Increase (Decrease) in the Fair Value of Investments	135,942
Net after Operating Transfer & Unrealized Net Gain (Loss)	<u>\$ 208,823</u>

State Bar of Texas
Client Security Fund
Balance Sheet
As of May 31, 2020
UNAUDITED

	<u>YTD</u>	<u>Prior YTD</u>
Assets		
Cash & Money Market Accts.	\$ 32,571	\$ 745,915
Investments	3,033,981	2,282,368
Adjust Investments to Market	135,831	(110)
Interest Receivable	<u>20,087</u>	<u>5,384</u>
Total Assets	<u><u>\$3,222,470</u></u>	<u><u>\$3,033,557</u></u>
Liabilities and Fund Balance		
Due To (From) General Fund	\$ 405,102	\$ 425,010
Total Liabilities	<u>405,102</u>	<u>425,010</u>
Fund Balance		
Beginning Fund Balance	2,608,546	2,029,906
Current Year Activity	<u>208,823</u>	<u>578,640</u>
Total Fund Balance	<u><u>2,817,369</u></u>	<u><u>2,608,546</u></u>
Total Liabilities and Fund Balance	<u><u>\$3,222,471</u></u>	<u><u>\$3,033,556</u></u>

State Bar of Texas
Combining Statement of Revenue & Expenditures
And Changes in Fund Balance
All Special Revenue Funds
For the Twelve Months Ending May 31, 2020
UNAUDITED

	Law Focused Grants	TBLS	Convention Fund	Texas Law Center	Texas Bar College	Technology Fund	Misc Grant Fund	Total
Revenues:								
Fees		\$1,213,175	\$242,465		\$252,060			\$1,707,700
Sales			30,201		4,680			34,881
Investments	115	34,825	5,919	104,143	3,911			148,913
Grants	308,605						55,000	363,605
Contributions			261,900		16,900			278,800
Rent				500				500
Other Revenue		22,660						22,660
Total Revenues	\$ 308,720	\$ 1,270,660	\$ 540,485	\$ 104,643	\$ 277,551		\$ 55,000	\$ 2,557,059
Expenditures:								
Salaries	57	454,017			64,700			518,774
Benefits	5	166,533			23,864			190,402
Travel	77,640	18,650	11,848		39,870			148,008
Meetings & Conferences	22,563	67,924	419,131		13,969			523,587
Professional Services	125,315	122,902	7,786	5,845	15,757		45,000	322,605
Publicity/Advertising		66,565	29,000		4,359			99,924
Dues/Subscriptions/Licenses	1,340	22,735	15		2,236			26,326
Education/Training	175				175			350
Supplies/Awards/Gifts/Spec. Items	56,622	19,172	11,219	33,914	11,175	21,706		153,808
Rentals - Office, Equipment, Storage		117,615			3,043			120,658
Maintenance/Repair				32,253		502,043		534,296
Postage and Freight	4,167	3,198	18		11,699			19,082
Telephone		30,424			772			31,196
Administrative	14,973	76,600	7,000		39,147		10,000	147,720
Fixed Assets		8,211		78,668		589,157		676,036
Printing and Copying	5,863	9,180	17,593		16,348			48,986
Total Expenditures	308,720	1,183,726	503,610	150,680	247,114	1,112,906	55,000	3,561,758
Transfer (In) / Out				(388,800)		(650,000)		(1,038,800)
Total Expenditures & Transfers	308,720	1,183,726	503,610	(238,120)	247,114	462,906	55,000	2,522,958
Net Increase (Decrease) in the Fair Value of Investments				100,919				100,919
Total Revenues less Expenditures	\$ -	\$ 86,934	\$ 36,875	\$ 443,682	\$ 30,437	\$ (462,906)	\$ -	\$ 135,020
Beginning Fund Balance at 6/1/19		\$ 2,114,856	\$ 345,165	\$ 4,049,468	\$ 192,380	\$ 789,313		\$ 7,491,182
Ending Fund Balance at 5/31/20	\$ -	\$ 2,201,790	\$ 382,040	\$ 4,493,150	\$ 222,817	\$ 326,407	\$ -	\$ 7,626,202

STATE BAR OF TEXAS - FINANCE DIVISION



Dashboard of Key Financial Trends

General Fund Operating Results for the Two Months-Ended July 31, 2020

Chart A contains the State Bar's General Fund Budget to Actual Variance for the financial period. This indicates the overall earnings incurred from current year operations.

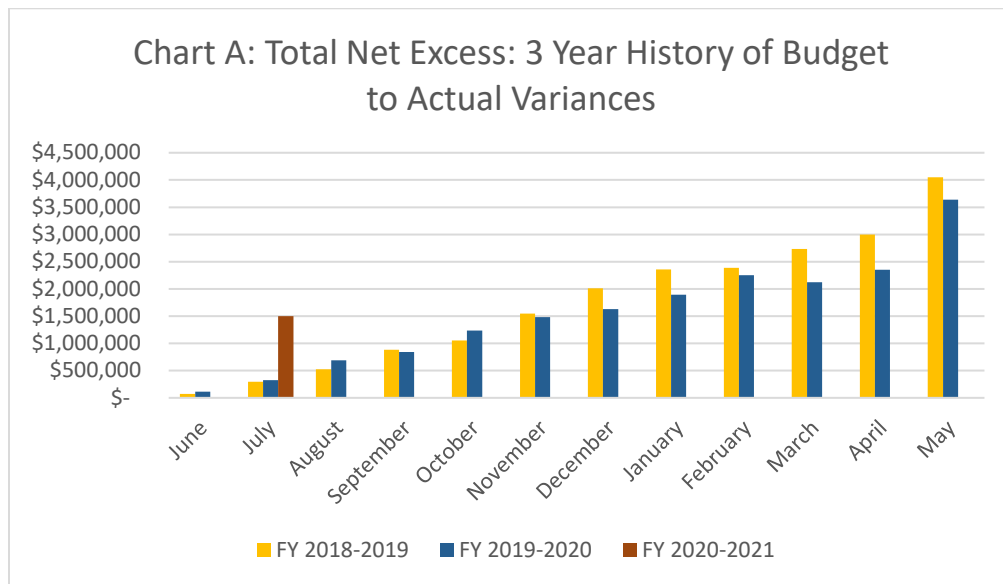


Table 1 contains details of data presented in Chart A above:

Operations of General Fund: Budget to Actual Variances (cumulative)

	FY 2018-2019	FY 2019-2020	FY 2020-2021
June	\$ 70,915	\$ 111,071	\$ 14,557
July	\$ 295,712	\$ 322,750	\$ 1,499,501
August	\$ 524,480	\$ 689,283	
September	\$ 885,337	\$ 841,894	
October	\$ 1,056,344	\$ 1,233,358	
November	\$ 1,546,381	\$ 1,485,161	
December	\$ 2,010,521	\$ 1,628,363	
January	\$ 2,359,057	\$ 1,895,262	
February	\$ 2,387,072	\$ 2,251,386	
March	\$ 2,733,334	\$ 2,122,472	
April	\$ 2,999,300	\$ 2,351,385	
May	\$ 4,048,722	\$ 3,637,312	

Chart B presents the total Revenues and Expenditures of the State Bar’s General Fund over the previous three years.

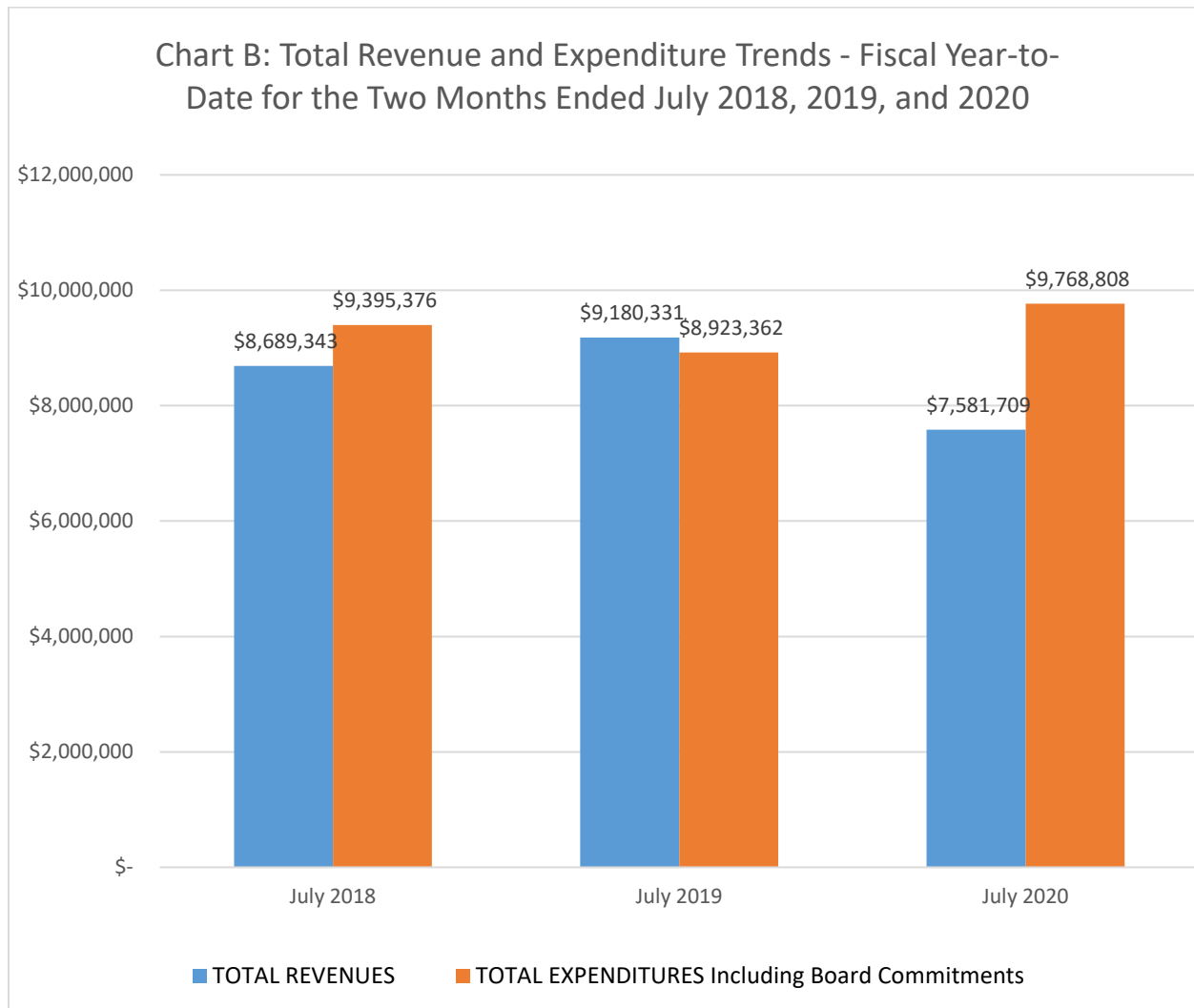


Chart C presents the total revenues by department of the State Bar's General Fund over the previous three years.

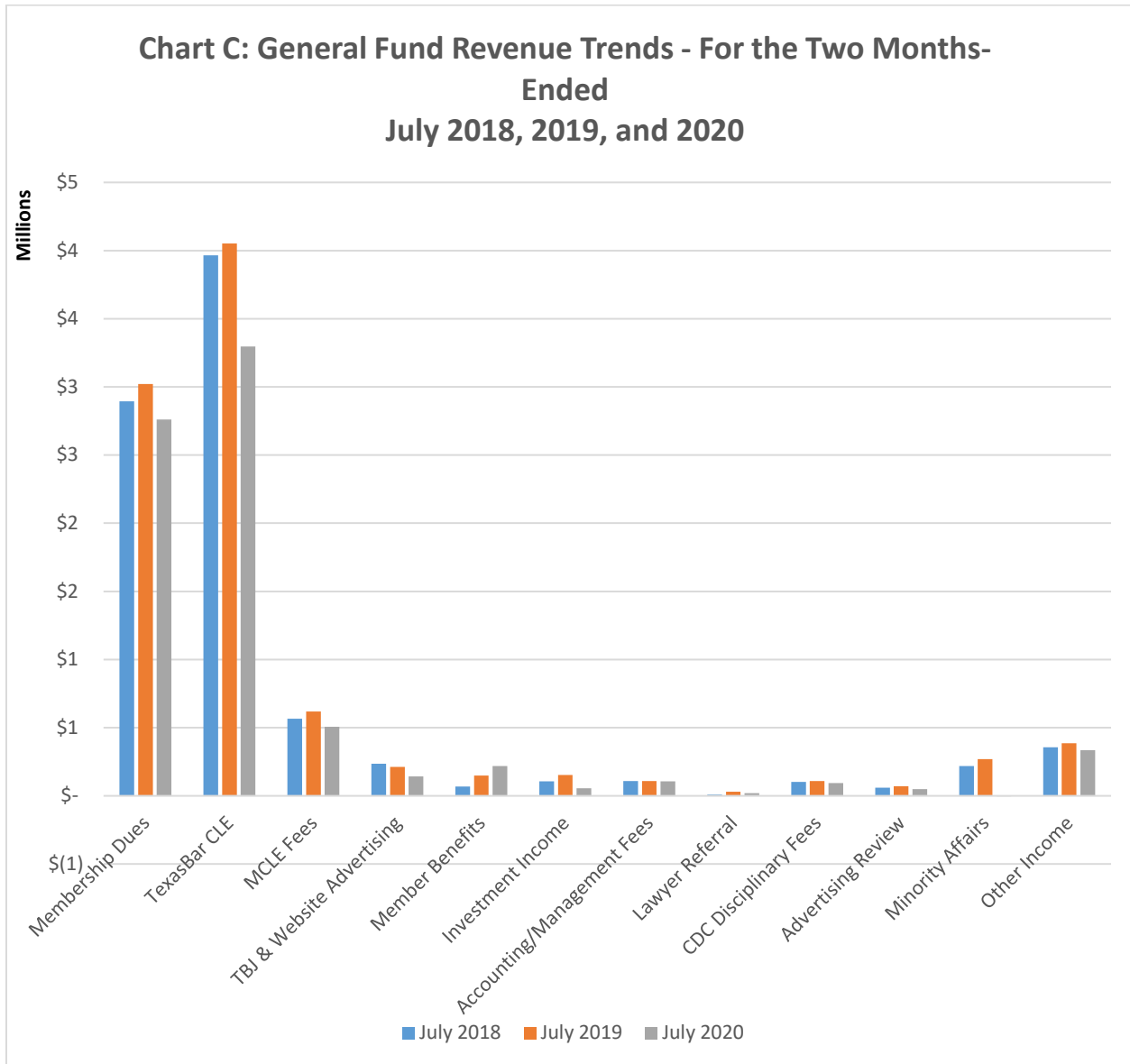
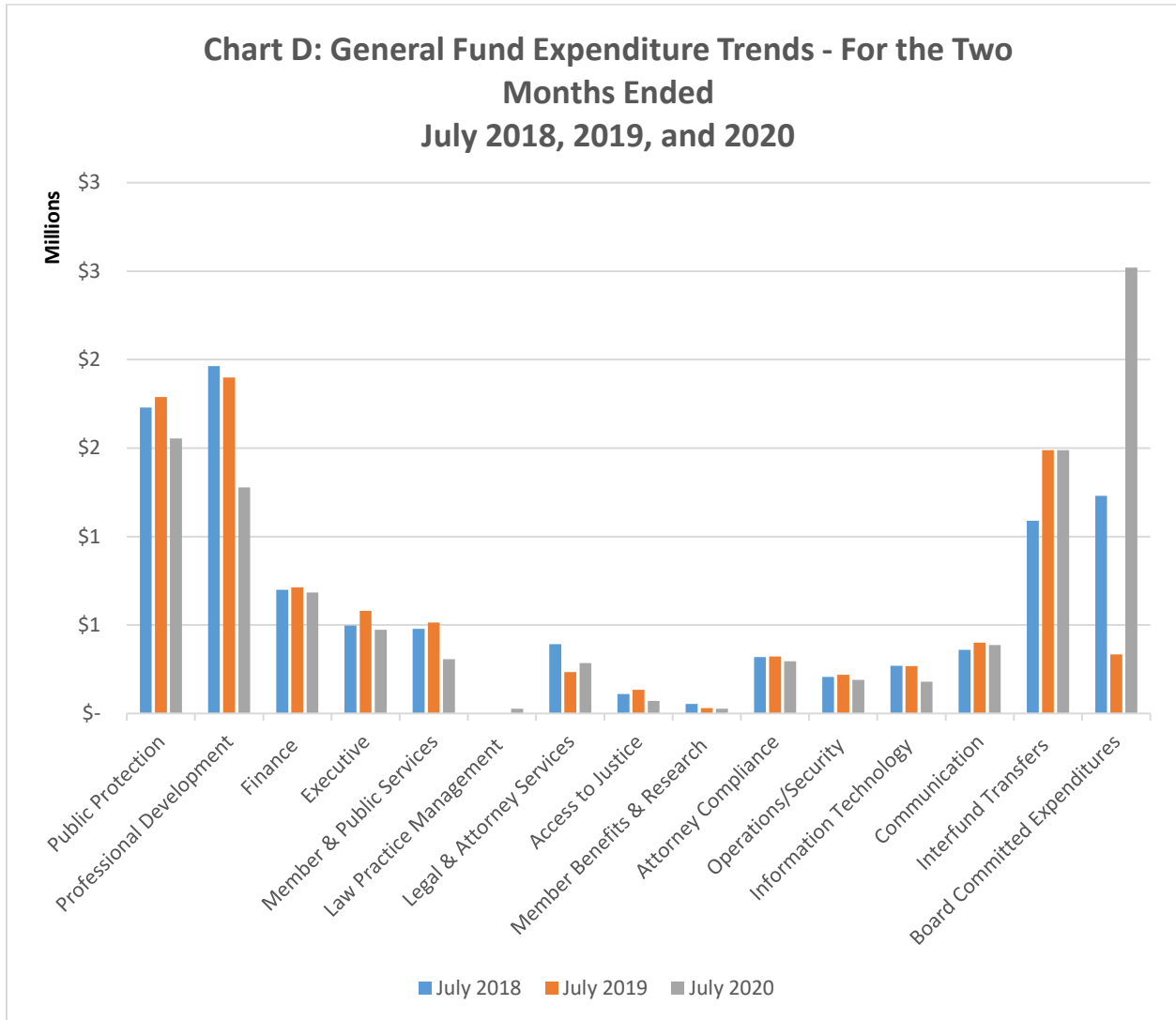


Chart D presents the total revenues by department of the State Bar's General Fund over the previous three years.



**State Bar of Texas General Fund
Financial Highlights
For the Two Months Ended July 31, 2020**

Total General Fund YTD results – As of July 31, 2020, the General Fund had a net excess of revenues over expenditures and transfers of \$332,640 compared to a budgeted net deficit of (\$1,166,861). This resulted in a positive overall variance of \$1,499,501.

	Actual	Budget	Variance	% Variance
Total Revenues	\$7,581,709	\$8,543,504	(\$961,795)	(11%)
Total Expenditures and Transfers	7,249,069	9,710,365	2,461,296	25%
Net Excess	\$332,640	(\$1,166,861)	\$1,499,501	

The State Bar's revenues for live TexasBarCLE courses, MCLE non-compliance fees, and Investment revenue are not expected to meet the budgeted revenues due to the pandemic. These losses are expected to be offset by savings in meetings, conferences, and travel expenses due to holding meetings remotely.

Revenues

For the period ending July 31, 2020, total revenues did not meet the budgeted revenues by (\$961,795) or (11%), thereby producing a negative actual to budget variance. An analysis of the revenues shows that the following departments had a negative revenue variance in excess of (\$100,000) or (\$10,000) and (10%) for the period ending July 31, 2020.

- **Member Dues** – Total Negative Revenue Variance: (\$202,132) or (7%) - This negative variance results primarily from a delay in members' payment of dues compared to the budgeted timing of collection. The September 1st dues suspension deadline was extended to November 1st to allow additional time for lawyers to pay dues.
- **Texas Bar Journal** – Total Negative Revenue Variance: (\$19,792) or (22%) - This negative variance results primarily from a slight decrease in advertising revenue compared to budgeted advertising revenue.
- **MCLE Fees** – Total Negative Revenue Variance: (\$68,840) or (12%) - This negative variance is due to the extension granted to attorneys to comply with CLE requirements.
- **Investments** – Total Negative Revenue Variance: (\$11,683) or (17%) - This negative variance is due the drop in investment return rates on fixed income securities as a result of the pandemic.

- Website – Total Negative Revenue Variance: (\$28,553) or (28%) - This negative variance is due to a decrease in the career center referral fees received from employer job postings.
- Miscellaneous Revenue – Total Negative Revenue Variance: (\$10,099) or (78%) - This negative variance is due to a decrease in the hotel occupancy tax refunds received.

An analysis of the revenues shows that the following department had a positive revenue variance in excess of \$10,000 and 10% for the period ending July 31, 2020.

- Member Benefits – Total Positive Revenue Variance: \$41,509 or 24% - This positive variance is due to an increase in royalty revenue received from member benefits.

Expenditures

For the period ending July 31, 2020, total expenditures were under the allocated budget by \$2,461,296 or 25%, which resulted in a positive actual to budget variance.

An analysis of the expenditures shows that eleven departments, Center for Legal History, Governmental Relations, Texas Lawyers Assistance Program, Legal Access, Research & Analysis, Accounting, Information Technology, Customer Care, Graphics, CDC and BODA had large positive expenditure variances in excess of \$10,000 and 10% in salaries and benefits due to open positions, new position freezes, or staff turnover.

An analysis of the expenditures shows that the following departments had positive expense variances in excess of \$10,000 and 10% for the period ending July 31, 2020 primarily resulting from cancellation of, and/or change to, virtual meetings and associated travel to prevent the spread of COVID-19 and other descriptions provided below:

- Office of Executive Director – Total Positive Expenditure Variance: \$18,644 or 17% - Variances are in travel and salaries and benefits.
- Officers & Directors – Total Positive Expenditure Variance: \$58,868 or 28% - Variances are in travel and meetings & conferences.
- Law Related Education – Total Positive Expenditure Variance: \$15,285 or 13% - Variances are in travel and meetings & conferences.
- TYLA– Total Positive Expenditure Variance: \$80,466 or 52% - Variances are primarily in travel and meetings & conferences.
- SBOT Leadership Academy– Total Positive Expenditure Variance: \$15,924 or 85% - Variances are primarily in travel and meetings & conferences.
- Local Bars – Total Positive Expenditure Variance: \$43,961 or 55% - Variances are primarily in salaries and benefits; travel; and meetings & conferences.

- SBOT Volunteer Committees – Total Positive Expenditure Variance: \$49,209 or 100% - Variances are primarily in travel and meetings & conferences.
- Access to Justice Commission – Total Positive Expenditure Variance: \$69,085 or 49% - Variances are primarily in travel and meetings & conferences.
- Purchasing & Facilities – Total Positive Expenditure Variance: \$21,933 or 10% - Variances are primarily in maintenance & repair and utilities.
- Office of Communications Division Director – Total Positive Expenditure Variance: \$12,689 or 26% - Variances are primarily in publicity advertising that unspent due to the cancellation of in-person events.
- Chief Disciplinary Counsel – Total Positive Expenditure Variance: \$182,265 or 11% - Variances are primarily in salaries and benefits; travel; and professional services.

TexasBarCLE (TBCLE)

For the period ending July 31, 2020, TexasBarCLE's net revenues over expenditures amount exceeded its budget target by \$920,994, thereby producing a positive actual to budget variance.

	Actual	Budget	Variance	% Variance
TBCLE Revenues	\$3,295,578	\$3,940,049	(\$644,471)	(16%)
TBCLE Expenditures	1,238,592	2,804,057	1,565,465	56%
Net TBCLE Income	\$2,056,986	\$1,135,992	\$920,994	

Due to the pandemic, all originally scheduled live courses beginning in mid-March are being held as a webcast through the rest of calendar year 2020, or some have been cancelled. These changes have affected TBCLE's live course revenue, as some members requested a refund and registrations have decreased significantly, despite the course transition to webcast. Live courses are budgeted to receive \$6,197,183 in revenue and \$6,221,233 in expenses. Of the budgeted expenses, \$4 million is budgeted for travel, meetings and conferences, rentals and other expenses that will be significantly decreased due to the cancellation of live courses.

In comparing TBCLE's performance to previous years, it is appropriate to make two comparisons: (1) compare the current fiscal year 20-21 to the previous fiscal year 19-20; and (2) compare the

current fiscal year 20-21 to fiscal year 18-19. Fiscal years ending in odd numbers are considered to be “non-legislative years”, in other words, they do not follow a legislative session. Fiscal years ending in even numbers are considered to be “legislative years” because they do follow a legislative session and TBCLE generally sees a surge in revenues following a legislative year. The surge in revenue generally results from legal issues arising during the legislative process; thereby creating a need for new or revised CLE programs. Fiscal year 20-21 is a “non-legislative” year.

In comparing actual revenues and expenditure amounts for the period ending July 31, 2020 to the prior period ending July 31, 2019, we see a decrease in revenues of (\$757,242) or (19%), and a decrease in expenditures of \$526,413 or 29% for an overall decrease in net revenues of (\$230,829) or (10%). This is showing the difference between financial performances based on a comparison to a “legislative year”.

In comparing actual revenues and expenditure amounts for the current period ending July 31, 2020, to the period ending July 31, 2018, we see a decrease in revenue of (\$669,682) or (17%) and a decrease in expenditures of \$632,085 or 33% for an overall decrease in net revenues of (\$37,597) or (2%). This is showing the difference between financial performances based on a comparison of two “non-legislative years.”

Salaries and Benefits

For FY 2020-2021, the salaries and benefits budget totals \$25,220,012 or 56.8% of the overall \$44,391,552 General Fund budget before budgeted board commitments. The \$25,220,012 includes a 4% vacancy rate. The actual vacancy factor for the period ending July 31, 2020 was 7.4%. The actual salary and benefit expenditures had a \$287,953 positive variance to budget at the end of July 2020.

Budget	\$ 4,119,343
Actual	<u>3,831,390</u>
Variance	<u><u>\$ 287,953</u></u>

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Two Months Ending July 31, 2020

	Annual Budget	YTD Budget	YTD Actual	YTD Variance \$ Fav/(Unfav)	YTD Variance % Fav/(Unfav)	YTD Budget Prior Year	YTD Actual Prior Year	YTD Prior Year Variance \$ Fav/(Unfav)	YTD Prior Year Variance % Fav/(Unfav)
REVENUES:									
Membership Dues	\$21,348,853	\$2,962,499	\$2,760,367	(\$202,132)	(7%)	\$2,882,777	\$3,021,858	\$139,081	5%
Accounting/Management Fees	658,255	109,710	107,225	(2,485)	(2%)	109,225	109,225		
Texas Bar Journal	632,545	88,692	68,900	(19,792)	(22%)	98,192	97,387	(805)	(1%)
Leadership SBOT	5,000					1,666		(1,666)	(100%)
MCLE Fees	3,460,950	574,774	505,934	(68,840)	(12%)	560,235	619,540	59,305	11%
TexasBar CLE	14,251,844	3,940,049	3,295,578	(644,471)	(16%)	4,058,191	4,052,820	(5,371)	(0%)
Investment Income	400,000	68,000	56,317	(11,683)	(17%)	157,677	152,480	(5,197)	(3%)
Lawyer Referral	180,000	21,000	20,338	(662)	(3%)	21,000	29,676	8,676	41%
Member Benefits	911,309	176,561	218,070	41,509	24%	142,161	149,098	6,937	5%
CDC Disciplinary Fees	564,853	98,715	93,266	(5,449)	(6%)	104,550	108,088	3,538	3%
Membership	10,900	1,818	1,704	(114)	(6%)	2,400	2,976	576	24%
Local Bars	12,600	12,600	6,200	(6,400)	(51%)	12,600	6,700	(5,900)	(47%)
Minority Affairs	381,815		(3,000)	(3,000)		173,000	269,045	96,045	56%
Information Technology Dept.	1,200	200	200			200	200		
Website	445,000	103,000	74,447	(28,553)	(28%)	114,000	115,677	1,677	1%
Legal Access Division	12,000	5,000	9,450	4,450	89%	5,000	7,200	2,200	44%
Law Related Education	9,256		1,300	1,300			1,500	1,500	
TYLA	65,000	1,000	2,000	1,000	100%	1,000	2,225	1,225	123%
Law Student Division	6,000	900	825	(75)	(8%)	900	2,010	1,110	123%
Purchasing & Facilities	46,500	1,305	585	(720)	(55%)	7,560	7,320	(240)	(3%)
Advertising Review	368,000	60,902	48,350	(12,552)	(21%)	60,981	70,150	9,169	15%
Miscellaneous, Sales Tax Discounts, Etc.	82,000	13,000	2,901	(10,099)	(78%)	13,166	29,027	15,861	120%
Credit Card Processing Fees	365,000	275,000	287,390	12,390	5%	286,668	297,350	10,682	4%
Rent	172,673	28,779	23,362	(5,417)	(19%)	28,779	28,779		
TOTAL REVENUES	44,391,553	8,543,504	7,581,709	(961,795)	(11%)	8,841,928	9,180,331	338,403	4%
EXPENDITURES									
Executive Division									
Executive Director	684,300	109,924	91,281	18,643	17%	116,079	116,412	(333)	(0%)
Associate Executive Director/Legal Counsel	700,889	103,163	104,987	(1,824)	(2%)	99,200	94,193	5,007	5%
Deputy Executive Director	236,649	39,844	35,364	4,480	11%	38,153	35,846	2,307	6%
Deputy Executive Director/External Affairs	265,280	45,131	39,504	5,627	12%	43,643	43,163	480	1%
Special Financial Advisor						32,165	34,939	(2,774)	(9%)
Officers & Directors	970,817	213,267	154,399	58,868	28%	143,767	199,707	(55,940)	(39%)
Human Resources	308,161	50,192	48,178	2,014	4%	48,264	48,881	(617)	(1%)
Training/Tuition	71,133	6,500		6,500	100%	6,500	6,349	151	2%
Total Executive Division	3,237,229	568,021	473,713	94,308	17%	527,771	579,490	(51,719)	(10%)

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Two Months Ending July 31, 2020

	Annual Budget	YTD Budget	YTD Actual	YTD Variance \$ Fav/(Unfav)	YTD Variance % Fav/(Unfav)	YTD Budget Prior Year	YTD Actual Prior Year	YTD Prior Year Variance \$ Fav/(Unfav)	YTD Prior Year Variance % Fav/(Unfav)
Member & Public Services Division									
Center for Legal History	160,623	31,330	14,422	16,908	54%	28,016	27,624	392	1%
Law Related Education	523,895	116,297	101,011	15,286	13%	111,956	106,313	5,643	5%
Governmental Relations	311,496	47,575	27,718	19,857	42%	30,232	26,638	3,594	12%
Texas Young Lawyers Association	1,022,902	155,007	74,542	80,465	52%	145,971	146,257	(286)	(0%)
LeadershipSBOT	98,672	18,700	2,776	15,924	85%	15,516	17,128	(1,612)	(10%)
Sections	343,782	55,139	51,039	4,100	7%	53,786	56,062	(2,276)	(4%)
Local Bars	459,225	79,619	35,658	43,961	55%	79,412	74,431	4,981	6%
Special Events	73,604	2,595	7	2,588	100%	2,595	10,066	(7,471)	(288%)
Law Student Department	20,266	5,853		5,853	100%	3,870	4,012	(142)	(4%)
SBOT Volunteer Committees	317,812	49,440	230	49,210	100%	48,799	44,983	3,816	8%
Total Member & Public Services Division	<u>3,332,277</u>	<u>561,555</u>	<u>307,403</u>	<u>254,152</u>	<u>45%</u>	<u>520,153</u>	<u>513,514</u>	<u>6,639</u>	<u>1%</u>
Legal & Attorney Services Division									
Legal & Attorney Services Division Director	237,184	39,323	36,970	2,353	6%	39,994	37,630	2,364	6%
Texas Lawyers Assistance Program	496,731	81,516	58,307	23,209	28%	65,425	66,597	(1,172)	(2%)
Legal Access Division	1,539,040	217,616	189,659	27,957	13%	130,559	129,772	787	1%
Total Legal & Attorney Services Division	<u>2,272,955</u>	<u>338,455</u>	<u>284,936</u>	<u>53,519</u>	<u>16%</u>	<u>235,978</u>	<u>233,999</u>	<u>1,979</u>	<u>1%</u>
Access to Justice Commission	<u>752,981</u>	<u>140,857</u>	<u>71,805</u>	<u>69,052</u>	<u>49%</u>	<u>133,040</u>	<u>133,631</u>	<u>(591)</u>	<u>(0%)</u>
Member Benefits	<u>172,585</u>	<u>7,250</u>	<u>1,000</u>	<u>6,250</u>	<u>86%</u>	<u>9,890</u>	<u>2,593</u>	<u>7,297</u>	<u>74%</u>
Research & Analysis	<u>239,952</u>	<u>36,861</u>	<u>26,129</u>	<u>10,732</u>	<u>29%</u>	<u>26,819</u>	<u>27,358</u>	<u>(539)</u>	<u>(2%)</u>
Law Practice Management	<u>182,184</u>	<u>30,447</u>	<u>27,036</u>	<u>3,411</u>	<u>11%</u>				
Professional Development Division									
Texas Bar CLE	10,101,605	2,804,057	1,238,592	1,565,465	56%	1,839,923	1,792,040	47,883	3%
Minority Affairs	523,115	47,170	39,236	7,934	17%	67,717	106,810	(39,093)	(58%)
Total Professional Development	<u>10,624,720</u>	<u>2,851,227</u>	<u>1,277,828</u>	<u>1,573,399</u>	<u>55%</u>	<u>1,907,640</u>	<u>1,898,850</u>	<u>8,790</u>	<u>0%</u>
Attorney Compliance Division									
Office of Attorney Compliance Director	190,181	31,504	29,190	2,314	7%	30,091	30,615	(524)	(2%)
Advertising Review	151,275	24,498	23,701	797	3%	29,806	31,650	(1,844)	(6%)
Client Attorney Assistance Program	545,713	90,403	88,881	1,522	2%	90,424	92,043	(1,619)	(2%)
Lawyer Referral	376,086	61,909	60,520	1,389	2%	59,465	62,343	(2,878)	(5%)
MCLE	628,338	101,559	92,631	8,928	9%	111,382	106,232	5,150	5%
Total Attorney Compliance Division	<u>1,891,593</u>	<u>309,873</u>	<u>294,923</u>	<u>14,950</u>	<u>5%</u>	<u>321,168</u>	<u>322,883</u>	<u>(1,715)</u>	<u>(1%)</u>
Operations/Security Division									
Purchasing & Facilities	1,294,796	211,202	189,269	21,933	10%	205,203	218,776	(13,573)	(7%)
Total Operations/Security Division	<u>1,294,796</u>	<u>211,202</u>	<u>189,269</u>	<u>21,933</u>	<u>10%</u>	<u>205,203</u>	<u>218,776</u>	<u>(13,573)</u>	<u>(7%)</u>

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Two Months Ending July 31, 2020

	Annual Budget	YTD Budget	YTD Actual	YTD Variance \$ Fav/(Unfav)	YTD Variance % Fav/(Unfav)	YTD Budget Prior Year	YTD Actual Prior Year	YTD Prior Year Variance \$ Fav/(Unfav)	YTD Prior Year Variance % Fav/(Unfav)
Finance Division									
Accounting	1,049,448	179,161	154,864	24,297	14%	159,302	167,616	(8,314)	(5%)
Membership	612,834	100,596	108,757	(8,161)	(8%)	107,809	97,155	10,654	10%
Other Administrative	2,042,188	414,687	420,001	(5,314)	(1%)	467,978	447,132	20,846	4%
Total Finance Division	<u>3,704,470</u>	<u>694,444</u>	<u>683,622</u>	<u>10,822</u>	<u>2%</u>	<u>735,089</u>	<u>711,903</u>	<u>23,186</u>	<u>3%</u>
Information Technology Division									
Information Technology	1,252,657	190,978	135,398	55,580	29%	207,652	203,789	3,863	2%
Customer Service	404,132	60,345	44,758	15,587	26%	65,794	64,546	1,248	2%
Total Information Technology Division	<u>1,656,789</u>	<u>251,323</u>	<u>180,156</u>	<u>71,167</u>	<u>28%</u>	<u>273,446</u>	<u>268,335</u>	<u>5,111</u>	<u>2%</u>
Communications Division									
Office of Communications Director	265,364	49,678	36,990	12,688	26%	48,184	51,178	(2,994)	(6%)
Bar Journal	1,298,114	224,171	219,980	4,191	2%	189,771	204,287	(14,516)	(8%)
Printing	119,072	18,860	15,514	3,346	18%	21,814	23,434	(1,620)	(7%)
Graphics	227,649	39,996	27,467	12,529	31%	29,250	30,205	(955)	(3%)
Public Information	171,568	31,508	23,712	7,796	25%	30,819	24,415	6,404	21%
Web Management	421,753	72,549	63,793	8,756	12%	51,484	66,605	(15,121)	(29%)
Total Communications Division	<u>2,503,520</u>	<u>436,762</u>	<u>387,456</u>	<u>49,306</u>	<u>11%</u>	<u>371,322</u>	<u>400,124</u>	<u>(28,802)</u>	<u>(8%)</u>
Public Protection Division									
Chief Disciplinary Counsel	10,173,484	1,660,018	1,477,753	182,265	11%	1,642,388	1,665,152	(22,764)	(1%)
Grievance Oversight Committee	48,800	8,260	241	8,019	97%	8,260	13,144	(4,884)	(59%)
Unauthorized Practice of Law	170,000	13,683	8,856	4,827	35%	12,395	6,404	5,991	48%
Professional Ethics Commission	12,000						3,661	(3,661)	
Board of Disciplinary Appeals	632,418	101,327	68,143	33,184	33%	99,692	100,895	(1,203)	(1%)
Total Public Protection Division	<u>11,036,702</u>	<u>1,783,288</u>	<u>1,554,993</u>	<u>228,295</u>	<u>13%</u>	<u>1,762,735</u>	<u>1,789,256</u>	<u>(26,521)</u>	<u>(2%)</u>
TOTAL EXPENDITURES	<u>42,902,753</u>	<u>8,221,565</u>	<u>5,760,269</u>	<u>2,461,296</u>	<u>30%</u>	<u>7,030,254</u>	<u>7,100,712</u>	<u>(70,458)</u>	<u>(1%)</u>
Transfers to:									
Bldg & Equip Fund	288,800	288,800	288,800			288,800	288,800		
Technology Fund	500,000	500,000	500,000			500,000	500,000		
Client Security Fund	700,000	700,000	700,000			700,000	700,000		
TOTAL TRANSFERS	<u>1,488,800</u>	<u>1,488,800</u>	<u>1,488,800</u>			<u>1,488,800</u>	<u>1,488,800</u>		
TOTAL EXPENDITURES & TRANSFERS	<u>44,391,553</u>	<u>9,710,365</u>	<u>7,249,069</u>	<u>2,461,296</u>	<u>25%</u>	<u>8,519,054</u>	<u>8,589,512</u>	<u>(70,458)</u>	<u>(1%)</u>
Excess (Deficit) of Revenues Over Expenditures & Transfers		<u>(1,166,861)</u>	<u>332,640</u>	<u>1,499,501</u>	<u>129%</u>	<u>322,874</u>	<u>590,819</u>	<u>267,945</u>	<u>83%</u>

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Two Months Ending July 31, 2020

	<u>Annual Budget</u>	<u>YTD Budget</u>	<u>YTD Actual</u>	<u>YTD Variance \$ Fav/(Unfav)</u>	<u>YTD Variance % Fav/(Unfav)</u>	<u>YTD Budget Prior Year</u>	<u>YTD Actual Prior Year</u>	<u>YTD Prior Year Variance \$ Fav/(Unfav)</u>	<u>YTD Prior Year Variance % Fav/(Unfav)</u>
BOARD COMMITMENTS									
Board Commitment - SLRAP	515,000	515,000	515,000						
Board Commitment - Sheeran-Crowley Memorial Trust	225,000	225,000	225,000						
Board Commitment - Client Security Fund	333,333	333,333	333,333						
Board Commitment - Technology Fund	1,240,000	1,240,000	1,240,000			150,000	150,000		
Board Commitment - Texas Opportunity & Justice Incubator Program	489,141	6,057	6,057			22,959	22,959		
Board Commitment - Presidential Initiatives	186,776	192	192			306	306		
Board Commitment - Statewide Pro Bono Campaign	141,975					901	901		
Board Commitment - LAD 2018 Board Commitments						37,372	37,372		
Board Commitment - Communications Projects	31,495	64	64			32	32		
Board Commitment - Archives Digitization Project	63,500								
Board Commitment - LRE Projects	6,179					22,280	22,280		
Board Commitment -Contingency for Southern Conference of Bar Presidents	75,000								
Board Commitment -Law Practice Management and TBB Website	200,000	200,000	200,000						
Board Commitment - Texas Law Center Renovations						100,000	100,000		
Board Commitment - Reserve for Rules Vote	150,000								
Board Commitment - Reserve for Run-Off Election	70,000								
Board Commitment - Reserve for Legal	100,000								
Board Commitment - Reserve for Commitment	866,667								
 TOTAL BOARD COMMITMENTS	<u>4,694,066</u>	<u>2,519,646</u>	<u>2,519,646</u>			<u>333,850</u>	<u>333,850</u>		
TOTAL YTD INCREASE (REDUCTION) IN FUND BALANCE	<u>(4,694,066)</u>	<u>(3,686,507)</u>	<u>(2,187,006)</u>	<u>1,499,501</u>	<u>41%</u>	<u>(10,976)</u>	<u>256,969</u>	<u>267,945</u>	<u>2441%</u>

**State Bar of Texas
General Fund
Balance Sheet
As of July 31, 2020**

	<u>YTD</u>	<u>Prior YTD</u>
Assets		
Cash & Money Market Funds	\$ 10,743,962	\$ 4,195,605
Investments	24,558,475	32,247,084
Adjust Investments to Market	344,783	65,650
Total Cash and Investments at FMV	<u>35,647,220</u>	<u>36,508,339</u>
Accounts Receivable:		
Net Accounts Receivable - Sales	58,338	43,945
Accrued Interest	61,990	106,570
Interfund	2,451,965	1,099,835
Other	190,844	161,599
Inventory	11,557	11,781
Prepaid Expenditures	<u>681,398</u>	<u>598,063</u>
Total Assets	<u><u>\$ 39,103,312</u></u>	<u><u>\$ 38,530,132</u></u>
Liabilities and Fund Equity		
Liabilities		
Accounts Payable:		
Cash - A/P		
Trade	\$ 409,217	\$ 1,152,574
Interfund	7,873,184	3,208,219
Accrued Liabilities	287,851	302,629
Deferred Revenue -		
Membership Dues	11,918,368	15,414,296
Other	348,156	316,285
Other Liabilities	<u>63,244</u>	<u>129,286</u>
Total Liabilities	<u>20,899,019</u>	<u>20,523,289</u>

**State Bar of Texas
General Fund
Balance Sheet
As of July 31, 2020**

Liabilities and Fund Equity Continued

Fund Balances

Nonspendable - Prepaids at May 31, 2020	\$	802,933	
Nonspendable - Inventory at May 31, 2020		11,572	
Nonspendable - Investments FMV Adjustment at May 31, 2020		374,972	
Board Committed - Minimum Reserve January 2020		11,140,350	
Board Committed - Technology Fund		1,240,000	
Board Committed - Texas Opportunity and Justice Incubator Program		489,141	
Board Committed - Legal Reserve Account		100,000	
Board Committed - Client Security Fund		333,333	
Board Committed - Reserve for Future Board Commitments		866,667	
Board Committed - Sheeran Crowley Memorial Trust		225,000	
Board Committed - Presidential Initiatives		186,776	
Board Committed - Law Practice Resource Management Website		200,000	
Board Committed - Statewide Pro Bono Campaign		141,975	
Board Committed - Ethics Initiatives		11,495	
Board Committed - Contingency for SCBP		75,000	
Board Committed - Public Information Campaign		20,000	
Board Committed - Archives Digitization Project		63,500	
Board Committed - Law Focused Education Programs		6,179	
Board Committed - Student Loan Repayment Assistance Program		515,000	
Board Committed - Run-off Election Reserve		70,000	
Board Committed - Referendum Reserve		150,000	
Amount Available for Board Commitment: FY 2019-2020		3,366,405	
Total Fund Balance at May 31, 2020	\$	20,390,298	\$ 17,749,877
Current Year Operations			
Nonspendable - Prepaids at June 30, 2020		(121,535)	
Nonspendable - Inventory at June 30, 2020		(15)	
Nonspendable - Investments FMV Adjustment at June 30, 2020		(30,189)	
Board Committed Expenditures - Student Loan Repayment Assistance Program		(515,000)	
Board Committed Expenditures - Sheeran-Crowley Memorial Trust		(225,000)	
Board Committed Expenditures - Client Security Fund		(333,333)	
Board Committed Expenditures - Technology Fund		(1,240,000)	
Board Committed Expenditures - Texas Opportunity & Justice Incubator Program		(6,057)	
Board Committed Expenditures - Presidential Initiatives		(192)	
Board Committed Expenditures - Communications Projects		(64)	
Board Committed Expenditures - Law Practice Management and TBB Website		(200,000)	
Amount Available for Board Commitment from Current Year Operations		484,380	
Total Current Year Increase (Reduction) in Fund Balance		(2,187,005)	256,970
Total Unreserved-Undesignated Fund Balance		18,203,293	18,006,843
Total Fund Balance		18,203,293	18,006,843
Total Liabilities and Fund Balance	\$	39,103,312	\$ 38,530,132

State Bar of Texas
Texas Bar Books
Statement of Revenues and Expenses
For the Two Months Ending July 31, 2020

	Y-T-D Budget	Y-T-D Actual	Budget %	2020-2021 Budget
Revenues:				
Book Sales Net of Estimated Returns	\$142,768	\$121,895	15%	\$1,986,903
Online Sales	81,388	110,206	(35%)	488,334
Total Sales	224,156	232,101	(4%)	2,475,237
Fees	4,000	5,314	(33%)	55,000
Interest	1,500	86	94%	9,000
Royalty	0	15	0%	1,281,000
Other Revenue	8,152	8,152	0%	48,922
Total Revenues	237,808	245,668	(3%)	3,869,159
Cost of Goods Sold:				
Finished Products	29,267	11,616	60%	407,315
Royalties	0	67	0%	113,358
Other	0	154	0%	100,000
Total Cost of Goods Sold	29,267	11,837	60%	620,673
Operating Expenses:				
Salaries	215,555	204,878	5%	1,293,330
Benefits	75,528	62,867	17%	453,168
Travel	7,590	93	99%	46,950
Meetings & Conferences	200	0	100%	1,800
Professional Services	82,031	43,575	47%	212,189
Publicity/Advertising	1,000	696	30%	15,000
Publicity/Advertising for Specific Titles	10,000	831	92%	66,000
Dues/Subscriptions/Licenses	16,870	16,261	4%	119,200
Education/Training	4,350	3,418	21%	12,435
Supplies/Awards/Gifts/Spec. Items	5,730	2,460	57%	30,500
Rentals - Office, Equipment, Storage	27,396	26,821	2%	164,376
Maintenance/Repair	5,100	5,100	0%	30,600
Postage and Freight	12,351	12,753	(3%)	167,913
Telephone	650	190	71%	3,900
Insurance	1,100	1,181	(7%)	6,600
Administrative Fee	91,742	90,425	1%	550,456
Bad Debts	3,570	(17,860)	600%	49,673
Capital Lease Expense	0	0	0%	12,000
Printing	0	(2,391)	0%	0
Copying	90	0	100%	540
Total Operating Expenses	560,853	451,298	20%	3,236,630
Operating Transfer (In) Out	0	(200,000)	0%	0
Total Expenses	590,120	263,135	55%	3,857,303
Net Income/(Loss)	(352,312)	(17,467)	95%	11,856

State Bar of Texas
Texas Bar Books
Statement of Net Position
As of July 31, 2020

	<u>YTD</u>	<u>Prior YTD</u>
Assets		
Net Accounts Receivable - Sales	\$ 420,099	\$ 261,072
Interfund Receivable - General Fund	546,848	609,912
Inventory		
Inventory - Finished Goods	397,746	591,013
Inventory - Work in Process	138,299	80,892
Less Inventory - Reserve	<u>(121,557)</u>	<u>(132,602)</u>
Total Inventory Less Reserves	414,488	539,303
Fixed Assets:		
Equipment/Software	533,820	353,637
Less Accumulated Depreciation	<u>(274,033)</u>	<u>(318,315)</u>
Net Fixed Assets	<u>44,282</u>	<u>35,322</u>
Total Assets	<u>\$ 1,641,222</u>	<u>\$1,445,609</u>
Liabilities and Net Position		
Liabilities		
Payables	\$ 7,057	\$ 8,656
Deferred Revenue	(2,391)	
Compensable Leave	<u>101,516</u>	<u>97,422</u>
Total Liabilities	<u>106,182</u>	<u>106,078</u>
Net Position		
Net Position at May 31, 2020	1,552,508	1,576,802
Current Year Revenues	245,669	260,454
Current Year Expenditures	(263,137)	(497,725)
Current Year Operations	<u>(17,468)</u>	<u>(237,271)</u>
Total Net Position at July 31, 2020	<u>1,535,040</u>	<u>1,339,531</u>
Total Liabilities and Net Position	<u>\$ 1,641,222</u>	<u>\$1,445,609</u>

State Bar of Texas
Client Security Fund
Statement of Revenues & Expenditures
For the Two Months Ending July 31, 2020

Revenues:

Interest	\$ 8,135
Total Revenues	<u>8,135</u>

Expenditures:

Claims	82,306
Total Expenditures	<u>82,306</u>

Excess (Deficit) of Revenue Over Expenditures	<u>(74,171)</u>
--	-----------------

General Fund Operating Transfer In	700,000
General Fund Committed Funds Transfer In	333,333
Total Transfers In from General Fund	<u>1,033,333</u>

Net Increase (Decrease) in the Fair Value of Investments	2,088
Net after Operating Transfer & Unrealized Net Gain (Loss)	<u>\$ 961,250</u>

State Bar of Texas
Client Security Fund
Balance Sheet
As of July 31, 2020

	<u>YTD</u>	<u>Prior YTD</u>
Assets		
Cash & Money Market Accts.	\$ 57,594	\$ 748,630
Investments	3,033,765	2,287,772
Adjust Investments to Market	137,919	452
Interest Receivable	<u>3,415</u>	<u>8,814</u>
Total Assets	<u>\$3,232,694</u>	<u>\$3,045,668</u>
Liabilities and Fund Balance		
Due To (From) General Fund	\$ (545,925)	\$ (156,929)
Total Liabilities	<u>(545,925)</u>	<u>(156,929)</u>
Fund Balance		
Beginning Fund Balance	2,817,369	2,608,546
Current Year Activity	<u>961,250</u>	<u>594,051</u>
Total Fund Balance	<u>3,778,619</u>	<u>3,202,597</u>
Total Liabilities and Fund Balance	<u>\$3,232,694</u>	<u>\$3,045,668</u>

State Bar of Texas
Combining Statement of Revenue & Expenditures
And Changes in Fund Balance
All Special Revenue Funds
For the Two Months Ending July 31, 2020

	Law Focused Grants	TBLS	Convention Fund	Texas Law Center	Texas Bar College	Technology Fund	Misc Grant Fund	Total
Revenues:								
Fees		\$207,000	\$130		\$76,283			\$283,413
Sales					148			148
Investments	13	387	47	9,800	68			10,315
Grants	305,625						167,900	473,525
Contributions					400		3,117	3,517
Total Revenues	305,638	207,387	177	9,800	76,899		171,017	770,918
Expenditures:								
Salaries		76,604			10,783			87,387
Benefits		25,247			3,720			28,967
Travel			440					440
Meetings & Conferences		2,500	8,910		1,512			12,922
Professional Services	109,930	10,873	1,402	16,705	1,336			140,246
Publicity/Advertising		11,800	29,000		(2,300)			38,500
Dues/Subscriptions/Licenses	3,921	600			270			4,791
Education/Training					75			75
Supplies/Awards/Gifts/Spec. Items	5,545	222	9,052		11,010			25,829
Rentals - Office, Equipment, Storage		23,422			311			23,733
Maintenance/Repair				1,734		163,883		165,617
Postage and Freight	4,115	74	4,658		2,469			11,316
Telephone		2,829			78			2,907
Administrative	704	12,806	6,109		5,263			24,882
Fixed Assets						37,201		37,201
Printing and Copying	2,829		3,985		1,162			7,976
Total Expenditures	127,044	166,977	63,556	18,439	35,689	201,084		612,789
Transfer (In) / Out				(288,800)		(1,740,000)		(2,028,800)
Total Expenditures & Transfers	127,044	166,977	63,556	(270,361)	35,689	(1,538,916)		(1,416,011)
Net Increase (Decrease) in the Fair Value of Investments				(215)				(215)
Total Revenues less Expenditures	178,594	40,410	(63,379)	279,946	41,210	1,538,916	171,017	2,186,714
Beginning Fund Balance at 6/1/20	\$ -	\$ 2,201,790	\$ 382,040	\$ 4,493,150	\$ 222,817	\$ 326,407	\$ -	\$ 7,626,202
Ending Fund Balance at 7/31/20	\$ 178,594	\$ 2,242,200	\$ 318,661	\$ 4,773,096	\$ 264,027	\$ 1,865,323	\$ 171,017	\$ 9,812,916



State Bar of Texas

Review of Investment Performance

Quarter Ended August 31, 2020

Barry Baughier
Director
baughierb@pfm.com

PFM Asset Management
LLC

750 North Saint Paul St.
Suite 540
Dallas, TX 75201

214.247.7079
pfm.com



August 31, 2020

Below is a summary of the State Bar of Texas' investment holdings as of August 31, 2020. For additional, specific investment holding information, please refer to the attached statements for PFM Asset Management LLC, as well as the respective money market fund and checking account bank statements.

Account Name	Month End Market Value
Money Market Mutual Fund Investments	
PFM Funds Gov't Select Series - General Fund	8,377,476.35
PFM Funds Gov't Select Series - Client Security Fund	30,758.57
PFM Funds Gov't Select Series - Texas Law Center	27,916.89
PFM Funds Gov't Select Series - Board of Legal Specialization Fund	826,807.89
PFM Funds Gov't Select Series - Annual Meeting Funds	249,166.77
PFM Funds Gov't Select Series - Texas Bar College Special Revenue Funds	319,680.98
PFM Funds CD Program	2,679,357.12
High Yield Savings Accounts	
Plains Capital Bank - Hatton Sumner Grant Account	198,211.23
Plains Capital Bank - College Endowment Fund	60,468.86
<i>Total Short-Term Funds</i>	<i>12,769,844.66</i>
Individual Portfolios	
Client Security Fund	3,173,720.01
General Fund	24,963,979.16
Texas Law Center Fund	4,415,342.62
<i>Total Individual Portfolios</i>	<i>32,553,041.79</i>
<i>Grand Total</i>	<i>45,322,886.45</i>
Weighted Average Maturity	
Including Overnight Balances	508 Days
Not Including Overnight Balances	654 Days

If you have any questions, do not hesitate to contact me at 214-247-7079 or baughierb@pfm.com.

Sincerely,

Barry Baughier



Portfolio Summary

<u>Total Portfolio Value</u>	<u>August 31, 2020</u>	<u>May 31, 2020</u>	<u>August 31, 2019</u>
College Fund*	\$380,149.84	\$407,564.85	\$292,184.55
Client Security Fund	\$3,204,478.58	\$3,220,651.77	\$3,045,709.60
Board of Legal Specialization Fund	\$1,527,220.68	\$1,526,716.03	\$1,989,840.08
Law Focused Education Fund	\$198,211.23	\$345,830.78	\$104,211.38
Texas Law Center Fund	\$4,443,259.51	\$4,450,362.93	\$4,436,812.07
Annual Meeting Fund**	\$249,166.77	\$319,108.56	\$320,562.36
General Fund	\$35,320,399.84	\$27,371,887.01	\$34,863,038.86
Totals	\$45,322,886.45	\$37,642,121.93	\$45,052,358.90

Portfolio Recap

General Fund

- The portfolios are fully invested in U.S. Treasuries, Federal Agencies, commercial paper, FDIC- insured CDs, and AAAM-rated money market mutual funds. Overall, the portfolios maintain high credit quality and necessary liquidity.
- The portfolio complies with Texas statutes and the State Bar's investment policy.
- The General Fund portfolio generated a quarterly total return of 0.13%, outperforming the benchmark 6-month Merrill Lynch Treasury Index return of 0.06%.

Other Funds

- The portfolio for each fund is designed to match the specific cash and liquidity needs of that fund.
- We continue to hold U.S. Treasuries and / or Federal Agency securities as the primary investments for the Texas Law Center and Client Security Fund portfolios.
- We will work with the State Bar to identify funds in overnight investments that could be invested in securities, adding value to the portfolios.
- We will work with the State Bar to meet known future cash flow needs, target pockets of value along the yield curve, and determine an appropriate investment strategy.

* Includes College Endowment Fund balances.

** Please note that Convention Fund name has been changed to Annual Meeting Fund.



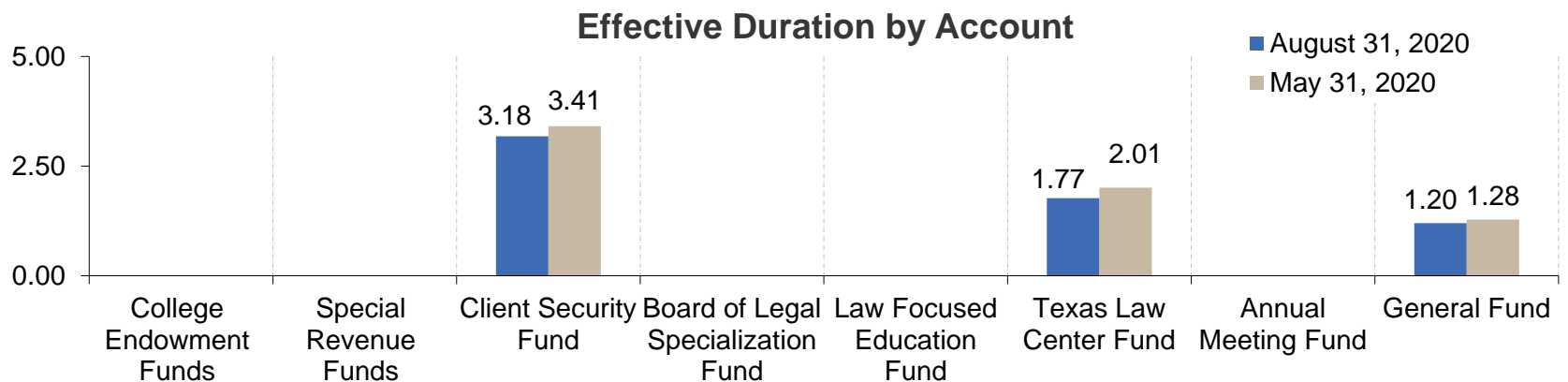
Portfolio Summary (*continued*)

- U.S. economic conditions are characterized by:
 - A deep economic recession followed by a surprisingly strong initial rebound
 - Gradually improving COVID-19 caseload
 - A pickup in consumer activity, solid payroll growth, and a strong housing market
 - Lingering challenges for small businesses and their workers
- The U.S. Treasury yield curve steepened in August amid high levels of Treasury issuance and the Fed policy shifts on inflation. The front end of the curve remained relatively unchanged, with yields trading in a low and tight range.
- The Federal Reserve will now seek “to achieve inflation that averages 2 percent over time,” moving away from their prior point-in-time target approach. Since inflation has run below 2% for some time, the implication is that the Fed would let inflation run higher for a time as it seeks to promote recovery to maximum employment, which also means it could allow the Fed to keep rates lower for longer than they might have in the past.
- The U.S. economy added 1.4 million jobs in August, a strong but slowing pace of recovery. The headline unemployment rate fell to 8.4%. Government employment increased due to temporary census worker, while there were also notable gains in retail, business services, leisure and hospitality, and in education and health services sectors. Total employment remains more than 11.5 million below February’s pre-pandemic level.
- Consumers increased spending in July, albeit at a slower pace than prior months as Covid-19 concerns linger and the expiration of government aid programs loom. Confidence fell to a new pandemic low, and housing remained one of the few bright spots in the economy. Manufacturing activity expanded at the fastest pace since late 2018.
- U.S. equities ascended to new record highs. August was a strong month for equities with the S&P 500 rising 7.0%, pushing year-to-date (YTD) performance to 8.3%. The NASDAQ soared 9.6%, lifting YTD performance to 31.2%. The Dow returned 7.6%, leaving YTD performance down 0.4%.



Portfolio Performance

Yields	Yield To Maturity - At Market		Yield To Maturity - On Cost	
	August 31, 2020	May 31, 2020	August 31, 2020	May 31, 2020
College Endowment Funds	0.15%	0.15%	0.15%	0.15%
Special Revenue Funds	0.04%	0.25%	0.04%	0.25%
Client Security Fund ¹	0.27%	0.33%	1.61%	1.61%
Board of Legal Specialization Fund ²	0.04%	0.25%	0.04%	0.25%
Law Focused Education Fund ²	0.05%	0.05%	0.05%	0.05%
Texas Law Center Fund ¹	0.27%	0.33%	1.38%	1.38%
Annual Meeting Fund ²	0.04%	0.25%	0.04%	0.25%
General Fund ¹	0.22%	0.25%	1.24%	1.58%



1. Does not include money market funds, FDIC-insured CDs or cash equivalents in performance, duration, and yield computations.

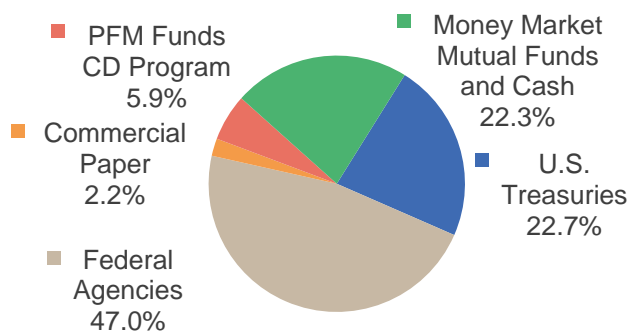
2. Yields for these funds represent the APY earned on balances held at Plains Capital Bank for the month prior to quarter end. Duration of each of the funds is equal to 1 day or approximately 0.003 years.



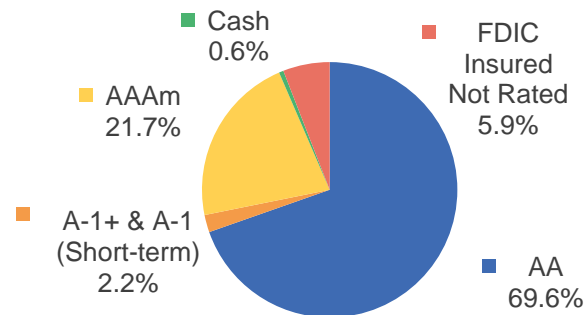
Composite Portfolio Composition and Credit Quality

<u>Security Type</u>	<u>August 31, 2020</u>	<u>% of Portfolio</u>	<u>May 31, 2020</u>	<u>% of Portfolio</u>	<u>Permitted by Investment Policy</u>
U.S. Treasuries	\$10,271,041.43	22.7%	\$10,301,674.05	27.4%	100%
Federal Agencies	\$21,283,916.36	47.0%	\$16,330,941.29	43.4%	100%
Mortgage-Backed Securities	\$0.00	0.0%	\$0.00	0.0%	30%
Commercial Paper	\$998,084.00	2.2%	\$2,998,202.00	8.0%	30%
Certificates of Deposit	\$0.00	0.0%	\$0.00	0.0%	30%
Bankers' Acceptances	\$0.00	0.0%	\$0.00	0.0%	15%
Repurchase Agreements	\$0.00	0.0%	\$0.00	0.0%	30%
PFM Funds CD Program	\$2,679,357.12	5.9%	\$0.00	0.0%	30%
Money Market Mutual Funds and Cash	\$10,090,487.54	22.3%	\$8,011,304.59	21.3%	100%
Totals	\$45,322,886.45	100.0%	\$37,642,121.93	100.0%	

**Portfolio Composition
as of 8/31/2020**



**Credit Quality Distribution
as of 8/31/2020**



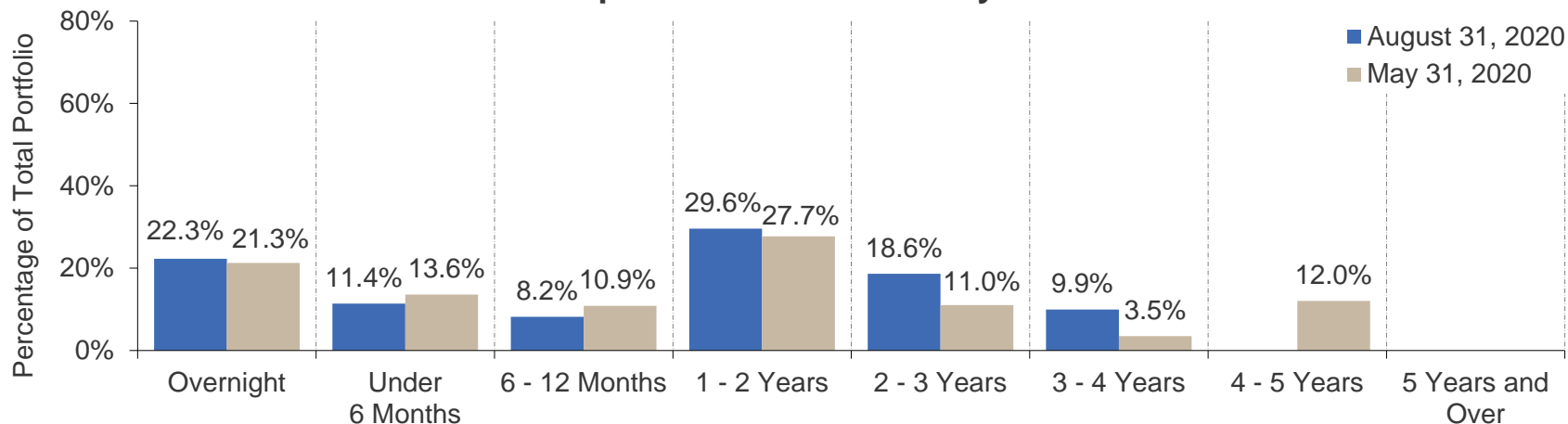
Data represents end of quarter trade-date market values of portfolio holdings, including accrued interest. Percentages may not add up to 100% due to rounding.



Composite Portfolio Maturity Distribution

<u>Maturity Distribution</u>	<u>August 31, 2020</u>	<u>May 31, 2020</u>
Overnight	\$10,090,487.54	\$8,011,304.59
Under 6 Months	\$5,158,644.76	\$5,116,807.19
6 - 12 Months	\$3,712,826.88	\$4,084,327.35
1 - 2 Years	\$13,405,311.97	\$10,434,553.77
2 - 3 Years	\$8,446,127.84	\$4,149,692.60
3 - 4 Years	\$4,509,487.46	\$1,314,756.96
4 - 5 Years	\$0.00	\$4,530,679.47
5 Years and Over	\$0.00	\$0.00
Totals	\$45,322,886.45	\$37,642,121.93

Composite Portfolio Maturity Distribution

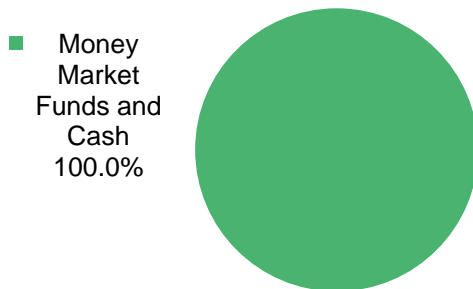




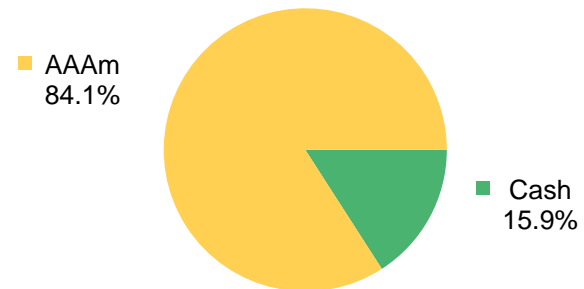
State Bar College Fund Portfolio Composition and Credit Quality

<u>Security Type</u>	<u>August 31, 2020</u>	<u>% of Portfolio</u>	<u>May 31, 2020</u>	<u>% of Portfolio</u>
U.S. Treasuries	\$0.00	0.0%	\$0.00	0.0%
Mortgage-Backed Securities	\$0.00	0.0%	\$0.00	0.0%
Federal Agencies	\$0.00	0.0%	\$0.00	0.0%
Commercial Paper	\$0.00	0.0%	\$0.00	0.0%
Certificates of Deposit	\$0.00	0.0%	\$0.00	0.0%
Bankers' Acceptances	\$0.00	0.0%	\$0.00	0.0%
Repurchase Agreements	\$0.00	0.0%	\$0.00	0.0%
Money Market Funds and Cash	\$380,149.84	100.0%	\$407,564.85	100.0%
Totals	\$380,149.84	100.0%	\$407,564.85	100.0%

**Portfolio Composition
as of 8/31/2020**



**Credit Quality
as of 8/31/2020**



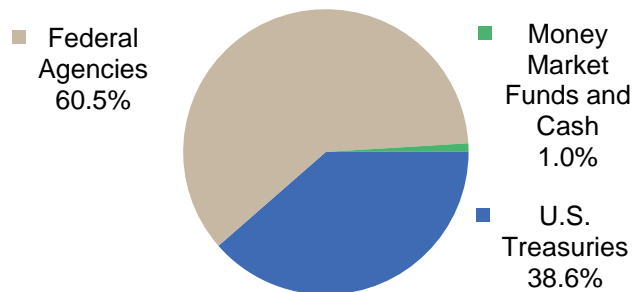
Data represents end of quarter trade-date market values of portfolio holdings, including accrued interest. Percentages may not add up to 100% due to rounding.



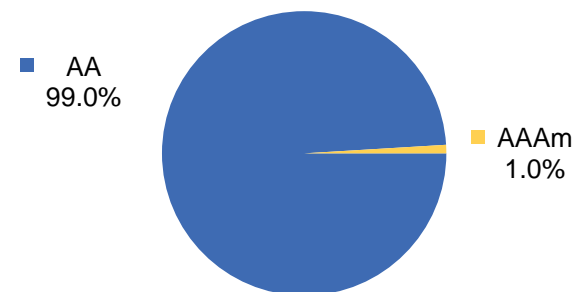
State Bar Client Security Fund Portfolio Composition and Credit Quality

<u>Security Type</u>	<u>August 31, 2020</u>	<u>% of Portfolio</u>	<u>May 31, 2020</u>	<u>% of Portfolio</u>
U.S. Treasuries	\$1,235,802.10	38.6%	\$1,242,873.87	38.6%
Mortgage-Backed Securities	\$0.00	0.0%	\$0.00	0.0%
Federal Agencies	\$1,937,917.91	60.5%	\$1,947,025.02	60.5%
Commercial Paper	\$0.00	0.0%	\$0.00	0.0%
Certificates of Deposit	\$0.00	0.0%	\$0.00	0.0%
Bankers' Acceptances	\$0.00	0.0%	\$0.00	0.0%
Repurchase Agreements	\$0.00	0.0%	\$0.00	0.0%
Money Market Funds and Cash	\$30,758.57	1.0%	\$30,752.88	1.0%
Totals	\$3,204,478.58	100.0%	\$3,220,651.77	100.0%

**Portfolio Composition
as of 8/31/2020**



**Credit Quality
as of 8/31/2020**



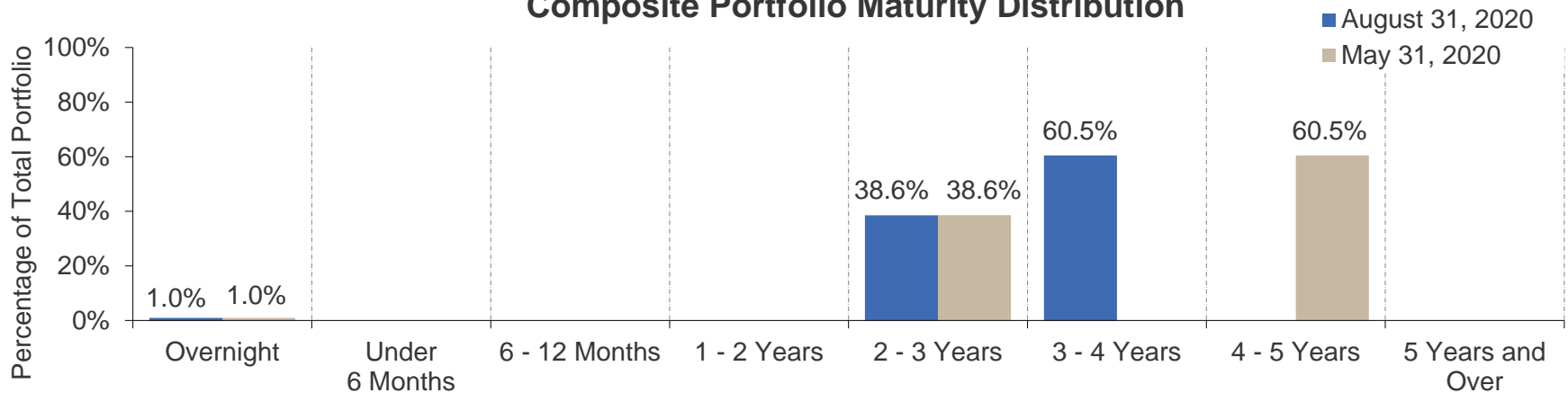
Data represents end of quarter trade-date market values of portfolio holdings, including accrued interest. Percentages may not add up to 100% due to rounding.



Client Security Fund Portfolio Maturity Distribution

<u>Maturity Distribution</u>	<u>August 31, 2020</u>	<u>May 31, 2020</u>
Overnight	\$30,758.57	\$30,752.88
Under 6 Months	\$0.00	\$0.00
6 - 12 Months	\$0.00	\$0.00
1 - 2 Years	\$0.00	\$0.00
2 - 3 Years	\$1,235,802.10	\$1,242,873.87
3 - 4 Years	\$1,937,917.91	\$0.00
4 - 5 Years	\$0.00	\$1,947,025.02
5 Years and Over	\$0.00	\$0.00
Totals	\$3,204,478.58	\$3,220,651.77

Composite Portfolio Maturity Distribution

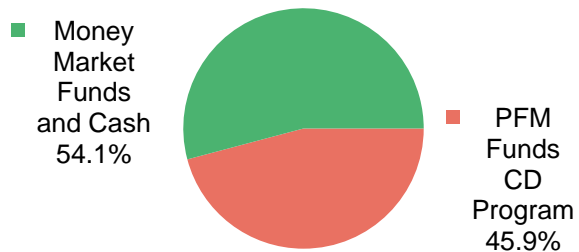




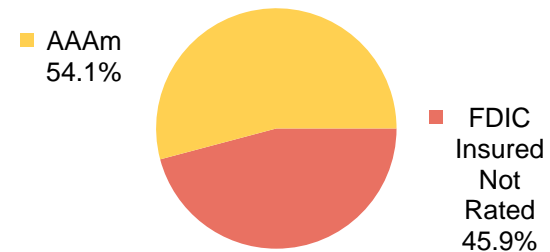
State Bar Board of Legal Specialization Portfolio Composition and Credit Quality

<u>Security Type</u>	<u>August 31, 2020</u>	<u>% of Portfolio</u>	<u>May 31, 2020</u>	<u>% of Portfolio</u>
U.S. Treasuries	\$0.00	0.0%	\$0.00	0.0%
Mortgage-Backed Securities	\$0.00	0.0%	\$0.00	0.0%
Federal Agencies	\$0.00	0.0%	\$0.00	0.0%
Commercial Paper	\$0.00	0.0%	\$0.00	0.0%
Certificates of Deposit	\$0.00	0.0%	\$0.00	0.0%
Bankers' Acceptances	\$0.00	0.0%	\$0.00	0.0%
Repurchase Agreements	\$0.00	0.0%	\$0.00	0.0%
PFM Funds CD Program	\$700,412.79	45.9%	\$0.00	0.0%
Money Market Funds and Cash	\$826,807.89	54.1%	\$1,526,716.03	100.0%
Totals	\$1,527,220.68	100.0%	\$1,526,716.03	100.0%

**Portfolio Composition
as of 8/31/2020**



**Credit Quality
as of 8/31/2020**



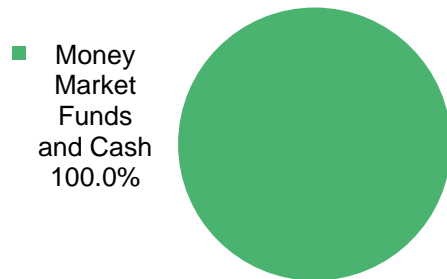
Data represents end of quarter trade-date market values of portfolio holdings, including accrued interest. Percentages may not add up to 100% due to rounding.



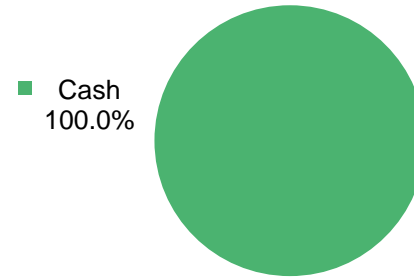
State Bar Law Focused Education Portfolio Composition and Credit Quality

<u>Security Type</u>	<u>August 31, 2020</u>	<u>% of Portfolio</u>	<u>May 31, 2020</u>	<u>% of Portfolio</u>
U.S. Treasuries	\$0.00	0.0%	\$0.00	0.0%
Mortgage-Backed Securities	\$0.00	0.0%	\$0.00	0.0%
Federal Agencies	\$0.00	0.0%	\$0.00	0.0%
Commercial Paper	\$0.00	0.0%	\$0.00	0.0%
Certificates of Deposit	\$0.00	0.0%	\$0.00	0.0%
Bankers' Acceptances	\$0.00	0.0%	\$0.00	0.0%
Repurchase Agreements	\$0.00	0.0%	\$0.00	0.0%
Money Market Funds and Cash	\$198,211.23	100.0%	\$345,830.78	100.0%
Totals	\$198,211.23	100.0%	\$345,830.78	100.0%

**Portfolio Composition
as of 8/31/2020**



**Credit Quality
as of 8/31/2020**



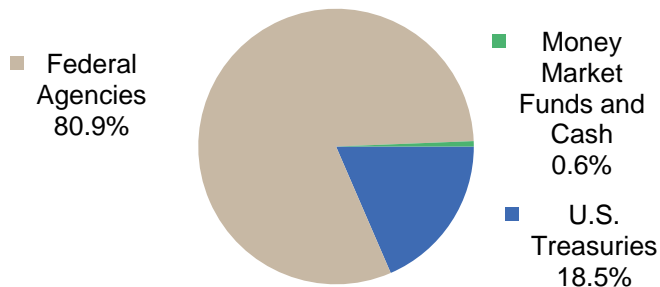
Data represents end of quarter trade-date market values of portfolio holdings, including accrued interest. Percentages may not add up to 100% due to rounding.



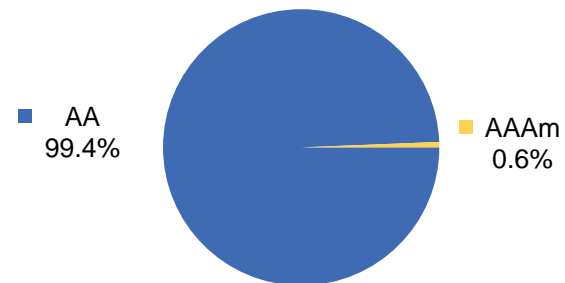
State Bar Texas Law Center Fund Portfolio Composition and Credit Quality

<u>Security Type</u>	<u>August 31, 2020</u>	<u>% of Portfolio</u>	<u>May 31, 2020</u>	<u>% of Portfolio</u>
U.S. Treasuries	\$822,144.49	18.5%	\$826,849.15	18.6%
Mortgage-Backed Securities	\$0.00	0.0%	\$0.00	0.0%
Federal Agencies	\$3,593,198.13	80.9%	\$3,595,602.05	80.8%
Commercial Paper	\$0.00	0.0%	\$0.00	0.0%
Certificates of Deposit	\$0.00	0.0%	\$0.00	0.0%
Bankers' Acceptances	\$0.00	0.0%	\$0.00	0.0%
Repurchase Agreements	\$0.00	0.0%	\$0.00	0.0%
Money Market Funds and Cash	\$27,916.89	0.6%	\$27,911.73	0.6%
Totals	\$4,443,259.51	100.0%	\$4,450,362.93	100.0%

**Portfolio Composition
as of 8/31/2020**



**Credit Quality
as of 8/31/2020**



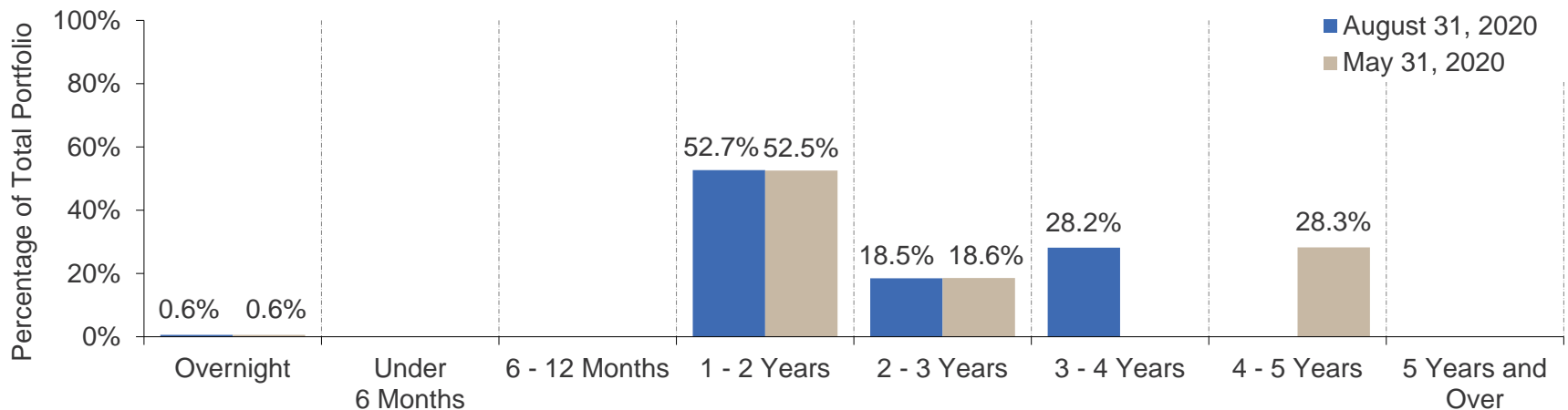
Data represents end of quarter trade-date market values of portfolio holdings, including accrued interest. Percentages may not add up to 100% due to rounding.



Texas Law Center Fund Portfolio Maturity Distribution

<u>Maturity Distribution</u>	<u>August 31, 2020</u>	<u>May 31, 2020</u>
Overnight	\$27,916.89	\$27,911.73
Under 6 Months	\$0.00	\$0.00
6 - 12 Months	\$0.00	\$0.00
1 - 2 Years	\$2,341,736.15	\$2,338,258.92
2 - 3 Years	\$822,144.49	\$826,849.15
3 - 4 Years	\$1,251,461.98	\$0.00
4 - 5 Years	\$0.00	\$1,257,343.13
5 Years and Over	\$0.00	\$0.00
Totals	\$4,443,259.51	\$4,450,362.93

Composite Portfolio Maturity Distribution

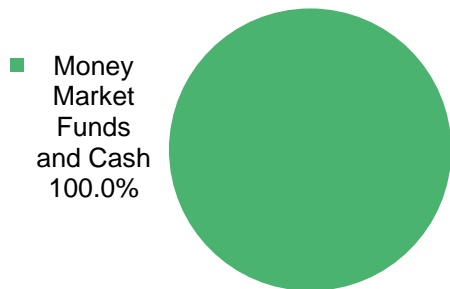




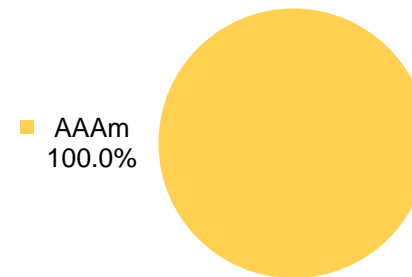
State Bar Annual Meeting Fund Portfolio Composition and Credit Quality

<u>Security Type</u>	<u>August 31, 2020</u>	<u>% of Portfolio</u>	<u>May 31, 2020</u>	<u>% of Portfolio</u>
U.S. Treasuries	\$0.00	0.0%	\$0.00	0.0%
Mortgage-Backed Securities	\$0.00	0.0%	\$0.00	0.0%
Federal Agencies	\$0.00	0.0%	\$0.00	0.0%
Commercial Paper	\$0.00	0.0%	\$0.00	0.0%
Certificates of Deposit	\$0.00	0.0%	\$0.00	0.0%
Bankers' Acceptances	\$0.00	0.0%	\$0.00	0.0%
Repurchase Agreements	\$0.00	0.0%	\$0.00	0.0%
Money Market Funds and Cash	\$249,166.77	100.0%	\$319,108.56	100.0%
Totals	\$249,166.77	100.0%	\$319,108.56	100.0%

**Portfolio Composition
as of 8/31/2020**



**Credit Quality
as of 8/31/2020**



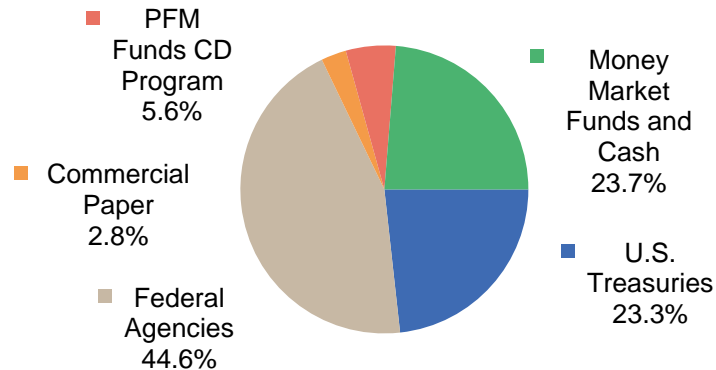
Data represents end of quarter trade-date market values of portfolio holdings, including accrued interest. Percentages may not add up to 100% due to rounding.



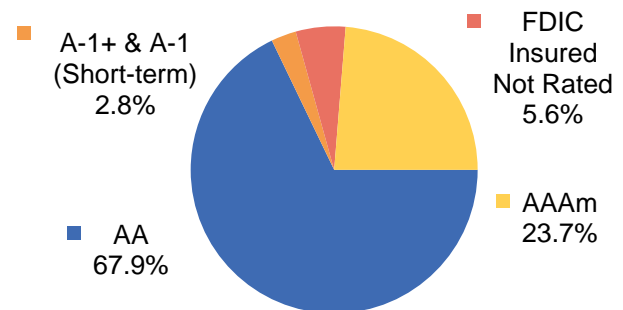
State Bar General Fund Portfolio Composition and Credit Quality

<u>Security Type</u>	<u>August 31, 2020</u>	<u>% of Portfolio</u>	<u>May 31, 2020</u>	<u>% of Portfolio</u>
U.S. Treasuries	\$8,213,094.84	23.3%	\$8,231,951.03	30.1%
Mortgage-Backed Securities	\$0.00	0.0%	\$0.00	0.0%
Federal Agencies	\$15,752,800.32	44.6%	\$10,788,314.22	39.4%
Commercial Paper	\$998,084.00	2.8%	\$2,998,202.00	11.0%
Certificates of Deposit	\$0.00	0.0%	\$0.00	0.0%
Bankers' Acceptances	\$0.00	0.0%	\$0.00	0.0%
Repurchase Agreements	\$0.00	0.0%	\$0.00	0.0%
PFM Funds CD Program	\$1,978,944.33	5.6%	\$0.00	0.0%
Money Market Funds and Cash	\$8,377,476.35	23.7%	\$5,353,419.76	19.6%
Totals	\$35,320,399.84	100.0%	\$27,371,887.01	100.0%

**Portfolio Composition
as of 8/31/2020**



**Credit Quality
as of 8/31/2020**



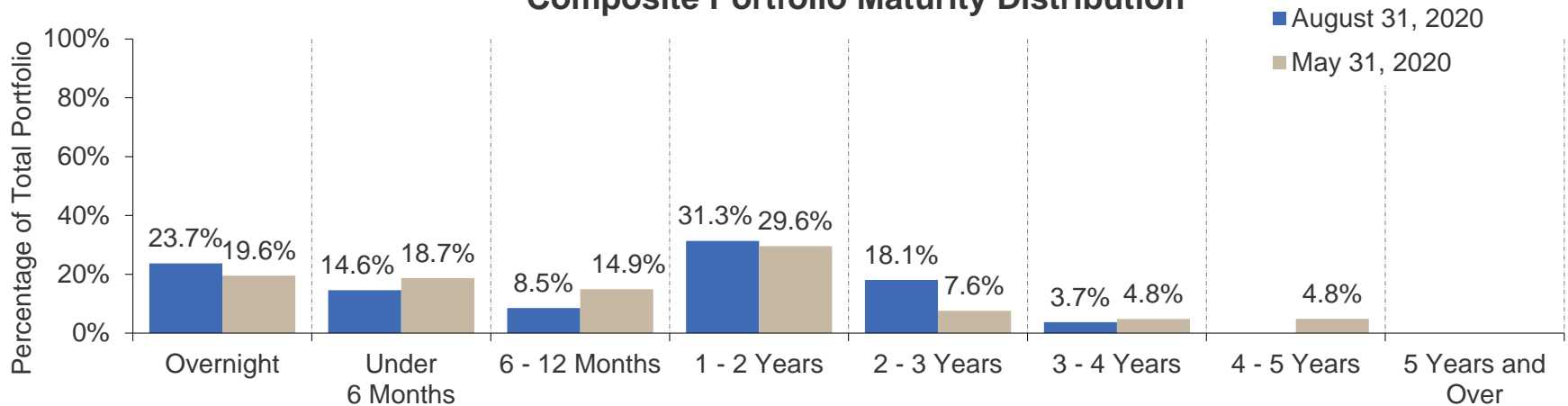
Data represents end of quarter trade-date market values of portfolio holdings, including accrued interest. Percentages may not add up to 100% due to rounding.



General Fund Portfolio Maturity Distribution

<u>Maturity Distribution</u>	<u>August 31, 2020</u>	<u>May 31, 2020</u>
Overnight	\$8,377,476.35	\$5,353,419.76
Under 6 Months	\$5,158,644.76	\$5,116,807.19
6 - 12 Months	\$3,012,414.09	\$4,084,327.35
1 - 2 Years	\$11,063,575.82	\$8,096,294.85
2 - 3 Years	\$6,388,181.25	\$2,079,969.58
3 - 4 Years	\$1,320,107.57	\$1,314,756.96
4 - 5 Years	\$0.00	\$1,326,311.32
5 Years and Over	\$0.00	\$0.00
Totals	\$35,320,399.84	\$27,371,887.01

Composite Portfolio Maturity Distribution



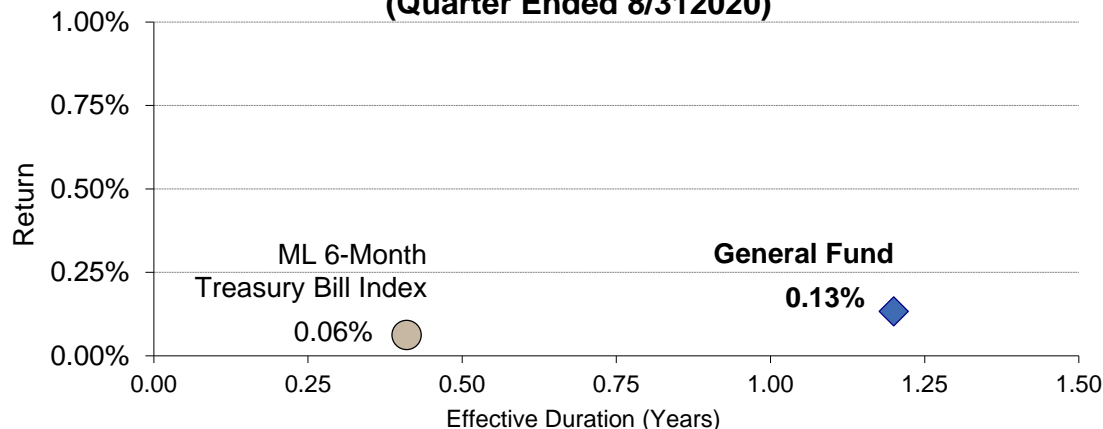


General Fund Portfolio Performance

Total Return	August 31, 2020	Last 6 Months	Annualized Since Inception
State Bar of Texas General Fund	0.13%	1.27%	1.61%
Merrill Lynch 6-Month Treasury Bill Index	0.06%	0.56%	1.45%

Duration	August 31, 2020	May 31, 2020	Yields	August 31, 2020
State Bar of Texas General Fund	1.20	1.28	Yield at Market	0.22%
Merrill Lynch 6-Month Treasury Bill Index	0.41	0.41	Yield on Cost	1.24%

**Quarter Total Return Comparison
(Quarter Ended 8/31/2020)**



1. Performance on trade date basis, gross-of-fees in accordance with the CFA Institute's Global Investment Performance Standards.
2. Merrill Lynch Indices provided by Bloomberg Financial Markets.
3. The total returns shown for periods longer than 1 year are the annualized returns for the stated period.
4. The total returns shown for periods shorter than 1 year are the periodic returns for the stated period.
5. Since inception performance is calculated from May 31, 2006 to present.
6. Does not include money market fund in performance, duration, and yield computations as we do not consider these funds to be discretionary in nature.



PFM Managed Portfolios



Consolidated Summary Statement

Account Statement

For the Month Ending **August 31, 2020**

STATE BAR OF TEXAS

Portfolio Summary

Portfolio Holdings	Cash Dividends and Income	Closing Market Value
PFM Managed Account	39,977.49	32,438,958.26
Total	\$39,977.49	\$32,438,958.26

Investment Allocation

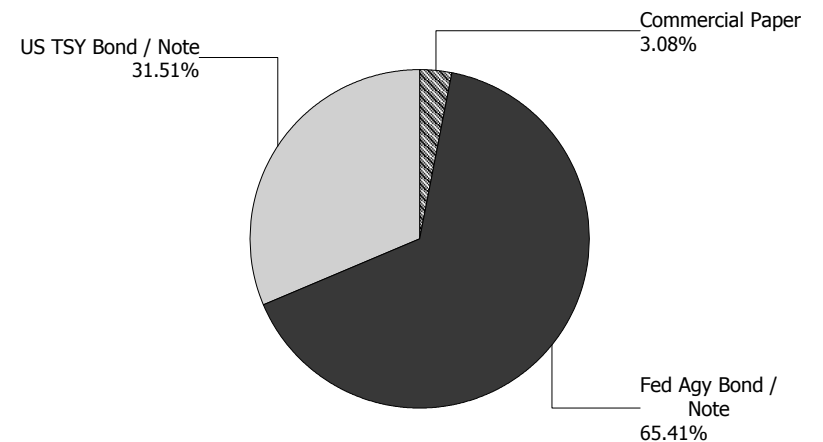
Investment Type	Closing Market Value	Percent
Commercial Paper	998,084.00	3.08
Federal Agency Bond / Note	21,219,298.32	65.41
U.S. Treasury Bond / Note	10,221,575.94	31.51
Total	\$32,438,958.26	100.00%

Maturity Distribution (Fixed Income Holdings)

Portfolio Holdings	Closing Market Value	Percent
Under 30 days	0.00	0.00
31 to 60 days	2,099,407.09	6.47
61 to 90 days	0.00	0.00
91 to 180 days	3,030,011.88	9.34
181 days to 1 year	2,010,271.50	6.20
1 to 2 years	12,378,414.56	38.16
2 to 3 years	8,423,612.37	25.97
3 to 4 years	4,497,240.86	13.86
4 to 5 years	0.00	0.00
Over 5 years	0.00	0.00
Total	\$32,438,958.26	100.00%

Weighted Average Days to Maturity **672**

Sector Allocation



**Account Statement**For the Month Ending **August 31, 2020****Consolidated Summary Statement****STATE BAR OF TEXAS**

Account Number	Account Name	Opening Market Value	Purchases / Deposits	Redemptions / Sales / Maturities	Unsettled Trades	Change in Value	Closing Market Value	Cash Dividends and Income
81125010	STATE BAR OF TEXAS GENERAL FUND	24,903,257.32	2,995,607.78	(3,000,000.00)	0.00	(25,514.89)	24,873,350.21	39,977.49
81125011	STATE BAR OF TEXAS CLIENT SECURITY FUND	3,171,683.81	0.00	0.00	0.00	(5,564.72)	3,166,119.09	0.00
81125014	STATE BAR OF TEXAS TEXAS LAW CENTER	4,405,017.31	0.00	0.00	0.00	(5,528.35)	4,399,488.96	0.00
Total		\$32,479,958.44	\$2,995,607.78	(\$3,000,000.00)	\$0.00	(\$36,607.96)	\$32,438,958.26	\$39,977.49



Managed Account Summary Statement

For the Month Ending **August 31, 2020**

STATE BAR OF TEXAS GENERAL FUND - 81125010

Transaction Summary - Managed Account

Opening Market Value	\$24,903,257.32
Maturities/Calls	(3,000,000.00)
Principal Dispositions	0.00
Principal Acquisitions	2,995,607.78
Unsettled Trades	0.00
Change in Current Value	(25,514.89)
Closing Market Value	\$24,873,350.21

Cash Transactions Summary - Managed Account

Maturities/Calls	3,000,000.00
Sale Proceeds	0.00
Coupon/Interest/Dividend Income	0.00
Principal Payments	0.00
Security Purchases	(2,995,850.84)
Net Cash Contribution	(4,149.16)
Reconciling Transactions	0.00

Earnings Reconciliation (Cash Basis) - Managed Account

Interest/Dividends/Coupons Received	0.00
Less Purchased Interest Related to Interest/Coupons	(243.06)
Plus Net Realized Gains/Losses	40,220.55
Total Cash Basis Earnings	\$39,977.49

Cash Balance

Closing Cash Balance **\$0.00**

Earnings Reconciliation (Accrual Basis)

	Total
Ending Amortized Value of Securities	24,553,542.90
Ending Accrued Interest	90,628.95
Plus Proceeds from Sales	0.00
Plus Proceeds of Maturities/Calls/Principal Payments	3,000,000.00
Plus Coupons/Dividends Received	0.00
Less Cost of New Purchases	(2,995,850.84)
Less Beginning Amortized Value of Securities	(24,558,474.72)
Less Beginning Accrued Interest	(60,898.67)
Total Accrual Basis Earnings	\$28,947.62



Portfolio Summary and Statistics

For the Month Ending **August 31, 2020**

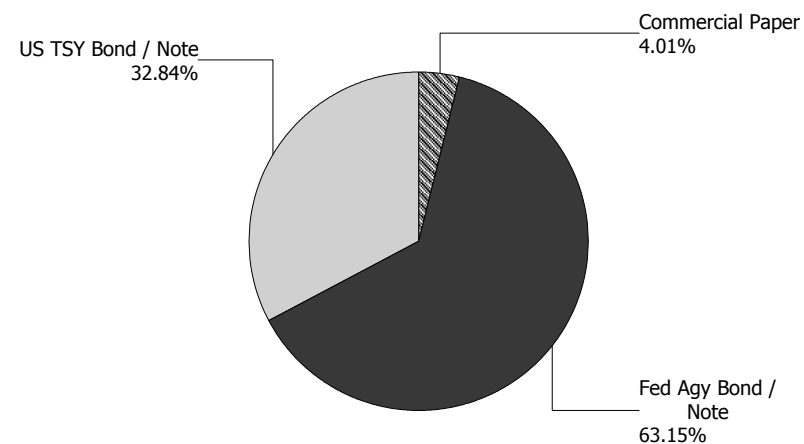
STATE BAR OF TEXAS GENERAL FUND - 81125010

Account Summary

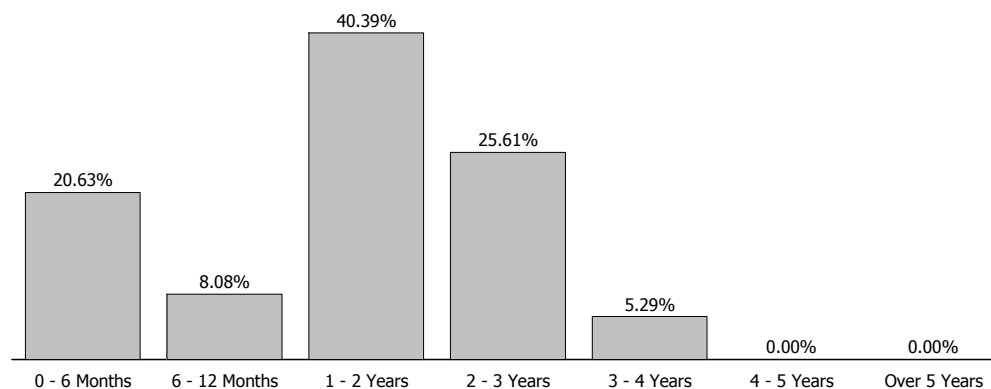
Description	Par Value	Market Value	Percent
U.S. Treasury Bond / Note	7,989,000.00	8,167,522.82	32.84
Federal Agency Bond / Note	15,480,000.00	15,707,743.39	63.15
Commercial Paper	1,000,000.00	998,084.00	4.01
Managed Account Sub-Total	24,469,000.00	24,873,350.21	100.00%
Accrued Interest		90,628.95	
Total Portfolio	24,469,000.00	24,963,979.16	

Unsettled Trades **0.00** **0.00**

Sector Allocation



Maturity Distribution



Characteristics

Yield to Maturity at Cost	1.24%
Yield to Maturity at Market	0.22%
Weighted Average Days to Maturity	575



Managed Account Issuer Summary

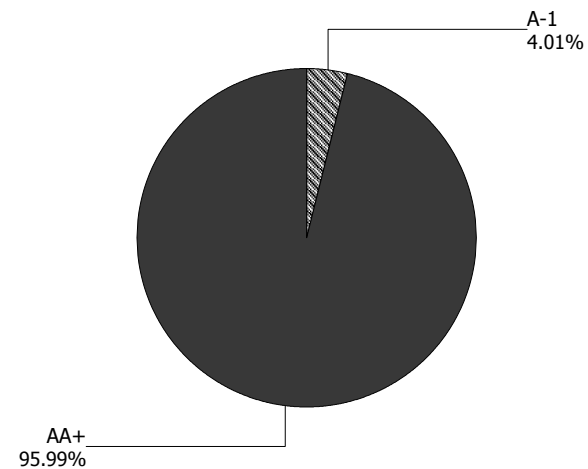
For the Month Ending **August 31, 2020**

STATE BAR OF TEXAS GENERAL FUND - 81125010

Issuer Summary

Issuer	Market Value of Holdings	Percent
FANNIE MAE	4,416,300.59	17.76
FEDERAL HOME LOAN BANKS	1,992,184.10	8.01
FREDDIE MAC	9,299,258.70	37.38
MITSUBISHI UFJ FINANCIAL GROUP INC	998,084.00	4.01
UNITED STATES TREASURY	8,167,522.82	32.84
Total	\$24,873,350.21	100.00%

Credit Quality (S&P Ratings)





Managed Account Detail of Securities Held

For the Month Ending **August 31, 2020**

STATE BAR OF TEXAS GENERAL FUND - 81125010

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 12/31/2015 1.750% 12/31/2020	912828N48	3,014,000.00	AA+	Aaa	12/05/19	12/06/19	3,016,590.16	1.67	9,029.71	3,014,801.56	3,030,011.88
US TREASURY NOTES DTD 03/31/2014 2.250% 03/31/2021	912828C57	1,000,000.00	AA+	Aaa	05/15/19	05/16/19	1,001,171.88	2.19	9,467.21	1,000,360.97	1,012,187.50
UNITED STATES TREASURY NOTES DTD 04/15/2019 2.250% 04/15/2022	9128286M7	1,985,000.00	AA+	Aaa	11/13/19	11/14/19	2,013,301.76	1.65	16,961.99	2,003,942.63	2,052,614.06
US TREASURY NOTES DTD 11/30/2015 2.000% 11/30/2022	912828M80	1,990,000.00	AA+	Aaa	12/12/19	12/16/19	2,006,790.63	1.71	10,113.11	2,002,748.44	2,072,709.38
Security Type Sub-Total		7,989,000.00					8,037,854.43	1.74	45,572.02	8,021,853.60	8,167,522.82
Federal Agency Bond / Note											
FANNIE MAE NOTES DTD 11/01/2018 2.875% 10/30/2020	3135G0U84	2,090,000.00	AA+	Aaa	11/27/18	11/27/18	2,088,892.30	2.90	20,196.08	2,089,907.04	2,099,407.09
FEDERAL HOME LOAN BANKS NOTES DTD 12/20/2019 1.625% 12/20/2021	3130AHSR5	1,955,000.00	AA+	Aaa	03/19/20	03/20/20	1,987,120.65	0.68	6,265.50	1,978,839.54	1,992,184.10
FREDDIE MAC GLOBAL NOTES DTD 01/13/2012 2.375% 01/13/2022	3137EADB2	975,000.00	AA+	Aaa	02/12/20	02/13/20	991,594.50	1.47	3,087.50	986,829.51	1,004,295.83
FREDDIE MAC NOTES (CALLABLE) DTD 05/13/2020 0.350% 05/13/2022	3134GVTG3	3,000,000.00	AA+	Aaa	05/13/20	05/15/20	3,000,000.00	0.35	3,150.00	3,000,000.00	3,000,678.00
FREDDIE MAC NOTES DTD 07/23/2020 0.125% 07/25/2022	3137EAET2	2,000,000.00	AA+	Aaa	08/27/20	08/28/20	1,997,500.00	0.19	263.89	1,997,514.37	1,997,806.00
FREDDIE MAC NOTES (CALLABLE) DTD 07/20/2020 0.320% 10/20/2022	3134GV6H6	2,000,000.00	AA+	Aaa	07/20/20	07/21/20	1,999,600.00	0.33	728.89	1,999,620.46	2,001,480.00
FANNIE MAE NOTES (CALLABLE) DTD 06/01/2020 0.450% 06/01/2023	3135G04U4	1,000,000.00	AA+	Aaa	06/01/20	06/02/20	1,000,000.00	0.45	1,125.00	1,000,000.00	1,000,371.00
FREDDIE MAC NOTES DTD 06/11/2018 2.750% 06/19/2023	3137EAEN5	1,210,000.00	AA+	Aaa	07/15/19	07/16/19	1,249,833.20	1.88	6,655.00	1,238,361.02	1,294,998.87
FANNIE MAE NOTES DTD 07/08/2019 1.750% 07/02/2024	3135G0V75	1,250,000.00	AA+	Aaa	07/15/19	07/16/19	1,240,262.50	1.92	3,585.07	1,242,480.69	1,316,522.50



Managed Account Detail of Securities Held

For the Month Ending **August 31, 2020**

STATE BAR OF TEXAS GENERAL FUND - 81125010

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Bond / Note											
Security Type Sub-Total		15,480,000.00					15,554,803.15	1.04	45,056.93	15,533,552.63	15,707,743.39
Commercial Paper											
MUFG BANK LTD/NY COMM PAPER DTD 08/20/2020 0.000% 05/17/2021	62479LSH9	1,000,000.00	A-1	P-1	08/27/20	08/28/20	998,107.78	0.26	0.00	998,136.67	998,084.00
Security Type Sub-Total		1,000,000.00					998,107.78	0.26	0.00	998,136.67	998,084.00
Managed Account Sub-Total		24,469,000.00					24,590,765.36	1.24	90,628.95	24,553,542.90	24,873,350.21
Securities Sub-Total		\$24,469,000.00					\$24,590,765.36	1.24%	\$90,628.95	\$24,553,542.90	\$24,873,350.21
Accrued Interest											\$90,628.95
Total Investments											\$24,963,979.16



Managed Account Fair Market Value & Analytics

For the Month Ending **August 31, 2020**

STATE BAR OF TEXAS GENERAL FUND - 81125010

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	YTM at Mkt
U.S. Treasury Bond / Note										
US TREASURY NOTES DTD 12/31/2015 1.750% 12/31/2020	912828N48	3,014,000.00	NOMURA		100.53	3,030,011.88	13,421.72	15,210.32	0.33	0.15
US TREASURY NOTES DTD 03/31/2014 2.250% 03/31/2021	912828C57	1,000,000.00	MORGAN_S		101.22	1,012,187.50	11,015.62	11,826.53	0.58	0.15
UNITED STATES TREASURY NOTES DTD 04/15/2019 2.250% 04/15/2022	9128286M7	1,985,000.00	GOLDMAN		103.41	2,052,614.06	39,312.30	48,671.43	1.59	0.15
US TREASURY NOTES DTD 11/30/2015 2.000% 11/30/2022	912828M80	1,990,000.00	MORGAN_S		104.16	2,072,709.38	65,918.75	69,960.94	2.20	0.15
Security Type Sub-Total		7,989,000.00				8,167,522.82	129,668.39	145,669.22	1.15	0.15
Federal Agency Bond / Note										
FANNIE MAE NOTES DTD 11/01/2018 2.875% 10/30/2020	3135G0U84	2,090,000.00	MORGAN_S		100.45	2,099,407.09	10,514.79	9,500.05	0.17	0.17
FEDERAL HOME LOAN BANKS NOTES DTD 12/20/2019 1.625% 12/20/2021	3130AHSR5	1,955,000.00	GOLDMAN		101.90	1,992,184.10	5,063.45	13,344.56	1.29	0.17
FREDDIE MAC GLOBAL NOTES DTD 01/13/2012 2.375% 01/13/2022	3137EADB2	975,000.00	MERRILL		103.00	1,004,295.83	12,701.33	17,466.32	1.35	0.18
FREDDIE MAC NOTES (CALLABLE) DTD 05/13/2020 0.350% 05/13/2022	3134GVTG3	3,000,000.00	JPM_CHA	11/13/20	100.02	3,000,678.00	678.00	678.00	0.20	0.34
FREDDIE MAC NOTES DTD 07/23/2020 0.125% 07/25/2022	3137EAET2	2,000,000.00	WELLS_F		99.89	1,997,806.00	306.00	291.63	1.90	0.18
FREDDIE MAC NOTES (CALLABLE) DTD 07/20/2020 0.320% 10/20/2022	3134GV6H6	2,000,000.00	BARCLAY	07/20/21	100.07	2,001,480.00	1,880.00	1,859.54	0.89	0.29
FANNIE MAE NOTES (CALLABLE) DTD 06/01/2020 0.450% 06/01/2023	3135G04U4	1,000,000.00	CITIGRP	06/01/21	100.04	1,000,371.00	371.00	371.00	0.75	0.44
FREDDIE MAC NOTES DTD 06/11/2018 2.750% 06/19/2023	3137EAEN5	1,210,000.00	CITIGRP		107.02	1,294,998.87	45,165.67	56,637.85	2.71	0.23
FANNIE MAE NOTES DTD 07/08/2019 1.750% 07/02/2024	3135G0V75	1,250,000.00	CITIGRP		105.32	1,316,522.50	76,260.00	74,041.81	3.72	0.35
Security Type Sub-Total		15,480,000.00				15,707,743.39	152,940.24	174,190.76	1.25	0.26
Commercial Paper										



Managed Account Fair Market Value & Analytics

For the Month Ending **August 31, 2020**

STATE BAR OF TEXAS GENERAL FUND - 81125010

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	YTM at Mkt
Commercial Paper										
MUFG BANK LTD/NY COMM PAPER DTD 08/20/2020 0.000% 05/17/2021	62479LSH9	1,000,000.00	MITSU		99.81	998,084.00	(23.78)	(52.67)	0.72	0.27
Security Type Sub-Total		1,000,000.00				998,084.00	(23.78)	(52.67)	0.72	0.27
Managed Account Sub-Total		24,469,000.00				24,873,350.21	282,584.85	319,807.31	1.20	0.22
Securities Sub-Total		\$24,469,000.00				\$24,873,350.21	\$282,584.85	\$319,807.31	1.20	0.22%
Accrued Interest						\$90,628.95				
Total Investments						\$24,963,979.16				



Managed Account Security Transactions & Interest

For the Month Ending **August 31, 2020**

STATE BAR OF TEXAS GENERAL FUND - 81125010

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L	Realized G/L	Sale Method
Trade	Settle							Cost	Amort Cost	
BUY										
08/27/20	08/28/20	MUFG BANK LTD/NY COMM PAPER DTD 08/20/2020 0.000% 05/17/2021	62479LSH9	1,000,000.00	(998,107.78)	0.00	(998,107.78)			
08/27/20	08/28/20	FREDDIE MAC NOTES DTD 07/23/2020 0.125% 07/25/2022	3137EAET2	2,000,000.00	(1,997,500.00)	(243.06)	(1,997,743.06)			
Transaction Type Sub-Total				3,000,000.00	(2,995,607.78)	(243.06)	(2,995,850.84)			
MATURITY										
08/28/20	08/28/20	CREDIT AGRICOLE CIB NY COMM PAPER DTD 12/04/2019 0.000% 08/28/2020	22533THU3	1,000,000.00	1,000,000.00	0.00	1,000,000.00	13,053.33	0.00	
08/28/20	08/28/20	BNP PARIBAS NY BRANCH COMM PAPER DTD 12/04/2019 0.000% 08/28/2020	09659BHU7	1,000,000.00	1,000,000.00	0.00	1,000,000.00	13,350.00	0.00	
08/28/20	08/28/20	MUFG BANK LTD/NY COMM PAPER DTD 12/02/2019 0.000% 08/28/2020	62479LHU2	1,000,000.00	1,000,000.00	0.00	1,000,000.00	13,817.22	0.00	
Transaction Type Sub-Total				3,000,000.00	3,000,000.00	0.00	3,000,000.00	40,220.55	0.00	
Managed Account Sub-Total					4,392.22	(243.06)	4,149.16	40,220.55	0.00	
Total Security Transactions					\$4,392.22	(\$243.06)	\$4,149.16	\$40,220.55	\$0.00	



Managed Account Summary Statement

For the Month Ending **August 31, 2020**

STATE BAR OF TEXAS CLIENT SECURITY FUND - 81125011

Transaction Summary - Managed Account

Opening Market Value	\$3,171,683.81
Maturities/Calls	0.00
Principal Dispositions	0.00
Principal Acquisitions	0.00
Unsettled Trades	0.00
Change in Current Value	(5,564.72)
Closing Market Value	\$3,166,119.09

Cash Transactions Summary - Managed Account

Maturities/Calls	0.00
Sale Proceeds	0.00
Coupon/Interest/Dividend Income	0.00
Principal Payments	0.00
Security Purchases	0.00
Net Cash Contribution	0.00
Reconciling Transactions	0.00

Earnings Reconciliation (Cash Basis) - Managed Account

Interest/Dividends/Coupons Received	0.00
Less Purchased Interest Related to Interest/Coupons	0.00
Plus Net Realized Gains/Losses	0.00
Total Cash Basis Earnings	\$0.00

Cash Balance

Closing Cash Balance	\$0.00
-----------------------------	---------------

Earnings Reconciliation (Accrual Basis)

	Total
Ending Amortized Value of Securities	3,033,654.72
Ending Accrued Interest	7,600.92
Plus Proceeds from Sales	0.00
Plus Proceeds of Maturities/Calls/Principal Payments	0.00
Plus Coupons/Dividends Received	0.00
Less Cost of New Purchases	0.00
Less Beginning Amortized Value of Securities	(3,033,764.61)
Less Beginning Accrued Interest	(3,414.90)
Total Accrual Basis Earnings	\$4,076.13



Portfolio Summary and Statistics

For the Month Ending **August 31, 2020**

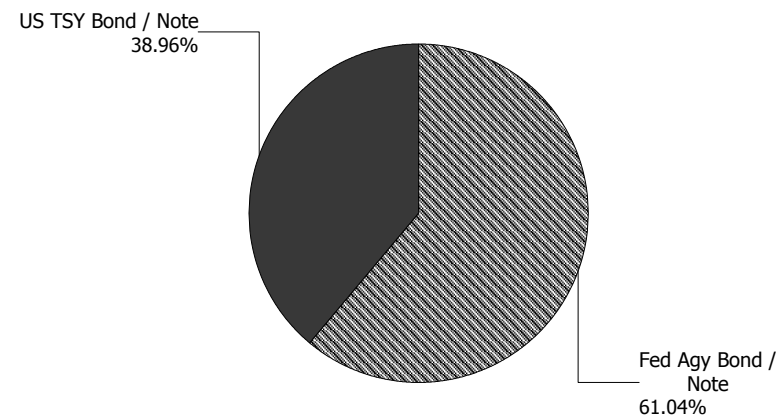
STATE BAR OF TEXAS CLIENT SECURITY FUND - 81125011

Account Summary

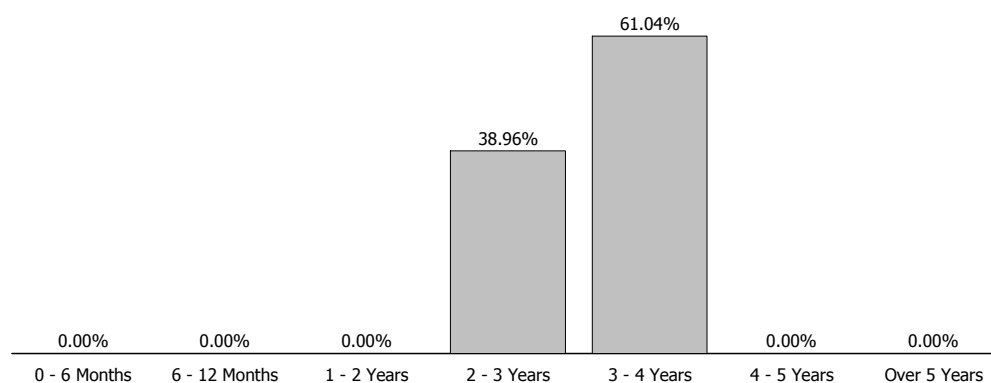
Description	Par Value	Market Value	Percent
U.S. Treasury Bond / Note	1,195,000.00	1,233,464.06	38.96
Federal Agency Bond / Note	1,835,000.00	1,932,655.03	61.04
Managed Account Sub-Total	3,030,000.00	3,166,119.09	100.00%
Accrued Interest		7,600.92	
Total Portfolio	3,030,000.00	3,173,720.01	

Unsettled Trades **0.00** **0.00**

Sector Allocation



Maturity Distribution



Characteristics

Yield to Maturity at Cost	1.61%
Yield to Maturity at Market	0.27%
Weighted Average Days to Maturity	1193



Managed Account Issuer Summary

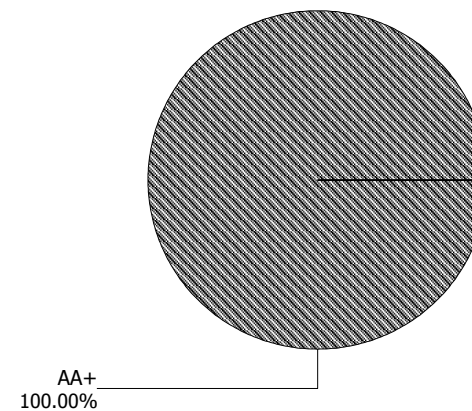
For the Month Ending **August 31, 2020**

STATE BAR OF TEXAS CLIENT SECURITY FUND - 81125011

Issuer Summary

Issuer	Market Value of Holdings	Percent
FANNIE MAE	1,932,655.03	61.04
UNITED STATES TREASURY	1,233,464.06	38.96
Total	\$3,166,119.09	100.00%

Credit Quality (S&P Ratings)





Managed Account Detail of Securities Held

For the Month Ending **August 31, 2020**

STATE BAR OF TEXAS CLIENT SECURITY FUND - 81125011

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
UNITED STATES TREASURY NOTES DTD 01/15/2020 1.500% 01/15/2023	912828Z29	1,195,000.00	AA+	Aaa	02/12/20	02/13/20	1,197,614.06	1.42	2,338.04	1,197,121.63	1,233,464.06
Security Type Sub-Total		1,195,000.00					1,197,614.06	1.42	2,338.04	1,197,121.63	1,233,464.06
Federal Agency Bond / Note											
FANNIE MAE NOTES DTD 07/08/2019 1.750% 07/02/2024	3135G0V75	1,835,000.00	AA+	Aaa	08/02/19	08/05/19	1,836,963.45	1.73	5,262.88	1,836,533.09	1,932,655.03
Security Type Sub-Total		1,835,000.00					1,836,963.45	1.73	5,262.88	1,836,533.09	1,932,655.03
Managed Account Sub-Total		3,030,000.00					3,034,577.51	1.61	7,600.92	3,033,654.72	3,166,119.09
Securities Sub-Total		\$3,030,000.00					\$3,034,577.51	1.61%	\$7,600.92	\$3,033,654.72	\$3,166,119.09
Accrued Interest											\$7,600.92
Total Investments											\$3,173,720.01



Managed Account Fair Market Value & Analytics

For the Month Ending **August 31, 2020**

STATE BAR OF TEXAS CLIENT SECURITY FUND - 81125011

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	YTM at Mkt
U.S. Treasury Bond / Note										
UNITED STATES TREASURY NOTES DTD 01/15/2020 1.500% 01/15/2023	912828Z29	1,195,000.00	MORGAN_S		103.22	1,233,464.06	35,850.00	36,342.43	2.34	0.14
Security Type Sub-Total		1,195,000.00				1,233,464.06	35,850.00	36,342.43	2.34	0.14
Federal Agency Bond / Note										
FANNIE MAE NOTES DTD 07/08/2019 1.750% 07/02/2024	3135G0V75	1,835,000.00	TD		105.32	1,932,655.03	95,691.58	96,121.94	3.72	0.35
Security Type Sub-Total		1,835,000.00				1,932,655.03	95,691.58	96,121.94	3.72	0.35
Managed Account Sub-Total		3,030,000.00				3,166,119.09	131,541.58	132,464.37	3.18	0.27
Securities Sub-Total		\$3,030,000.00				\$3,166,119.09	\$131,541.58	\$132,464.37	3.18	0.27%
Accrued Interest						\$7,600.92				
Total Investments						\$3,173,720.01				



Managed Account Summary Statement

For the Month Ending **August 31, 2020**

STATE BAR OF TEXAS TEXAS LAW CENTER - 81125014

Transaction Summary - Managed Account

Opening Market Value	\$4,405,017.31
Maturities/Calls	0.00
Principal Dispositions	0.00
Principal Acquisitions	0.00
Unsettled Trades	0.00
Change in Current Value	(5,528.35)
Closing Market Value	\$4,399,488.96

Cash Transactions Summary - Managed Account

Maturities/Calls	0.00
Sale Proceeds	0.00
Coupon/Interest/Dividend Income	0.00
Principal Payments	0.00
Security Purchases	0.00
Net Cash Contribution	0.00
Reconciling Transactions	0.00

Earnings Reconciliation (Cash Basis) - Managed Account

Interest/Dividends/Coupons Received	0.00
Less Purchased Interest Related to Interest/Coupons	0.00
Plus Net Realized Gains/Losses	0.00
Total Cash Basis Earnings	\$0.00

Cash Balance

Closing Cash Balance	\$0.00
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Earnings Reconciliation (Accrual Basis)

	Total
Ending Amortized Value of Securities	4,287,138.87
Ending Accrued Interest	15,853.66
Plus Proceeds from Sales	0.00
Plus Proceeds of Maturities/Calls/Principal Payments	0.00
Plus Coupons/Dividends Received	0.00
Less Cost of New Purchases	0.00
Less Beginning Amortized Value of Securities	(4,287,426.16)
Less Beginning Accrued Interest	(10,670.98)
Total Accrual Basis Earnings	\$4,895.39



Portfolio Summary and Statistics

For the Month Ending **August 31, 2020**

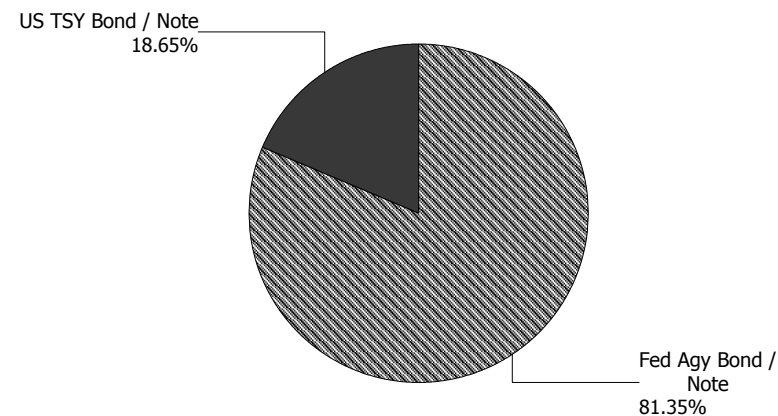
STATE BAR OF TEXAS TEXAS LAW CENTER - 81125014

Account Summary

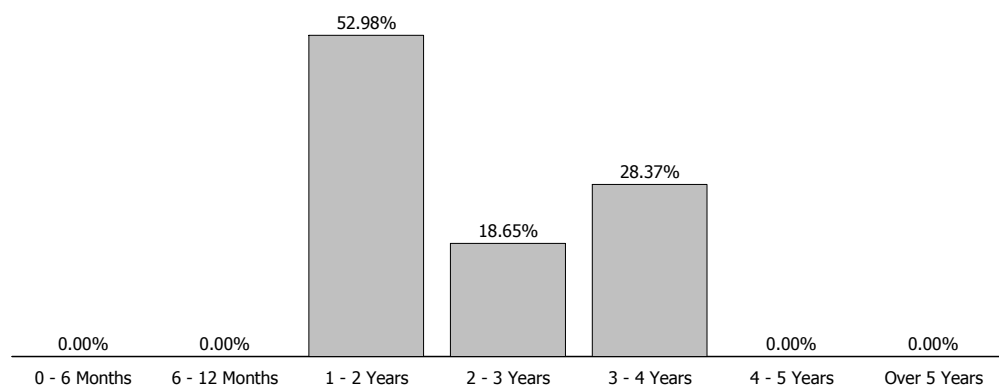
Description	Par Value	Market Value	Percent
U.S. Treasury Bond / Note	795,000.00	820,589.06	18.65
Federal Agency Bond / Note	3,490,000.00	3,578,899.90	81.35
Managed Account Sub-Total	4,285,000.00	4,399,488.96	100.00%
Accrued Interest		15,853.66	
Total Portfolio	4,285,000.00	4,415,342.62	

Unsettled Trades **0.00** **0.00**

Sector Allocation



Maturity Distribution



Characteristics

Yield to Maturity at Cost	1.38%
Yield to Maturity at Market	0.27%
Weighted Average Days to Maturity	847



Managed Account Issuer Summary

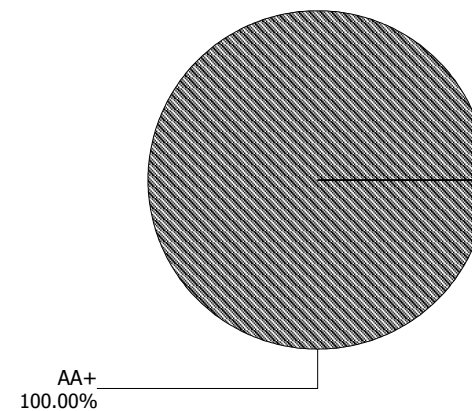
For the Month Ending **August 31, 2020**

STATE BAR OF TEXAS TEXAS LAW CENTER - 81125014

Issuer Summary

Issuer	Market Value of Holdings	Percent
FANNIE MAE	1,248,063.33	28.37
FEDERAL HOME LOAN BANKS	830,497.57	18.88
FREDDIE MAC	1,500,339.00	34.10
UNITED STATES TREASURY	820,589.06	18.65
Total	\$4,399,488.96	100.00%

Credit Quality (S&P Ratings)





Managed Account Detail of Securities Held

For the Month Ending **August 31, 2020**

STATE BAR OF TEXAS TEXAS LAW CENTER - 81125014

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
UNITED STATES TREASURY NOTES DTD 01/15/2020 1.500% 01/15/2023	912828Z29	795,000.00	AA+	Aaa	02/12/20	02/13/20	796,739.06	1.42	1,555.43	796,411.46	820,589.06
Security Type Sub-Total		795,000.00					796,739.06	1.42	1,555.43	796,411.46	820,589.06
Federal Agency Bond / Note											
FEDERAL HOME LOAN BANKS NOTES DTD 10/12/2018 3.000% 10/12/2021	3130AF5B9	805,000.00	AA+	Aaa	02/14/19	02/15/19	814,724.40	2.53	9,324.58	809,070.21	830,497.57
FREDDIE MAC NOTES (CALLABLE) DTD 05/13/2020 0.350% 05/13/2022	3134GVTG3	1,500,000.00	AA+	Aaa	05/13/20	05/15/20	1,500,000.00	0.35	1,575.00	1,500,000.00	1,500,339.00
FANNIE MAE NOTES DTD 07/08/2019 1.750% 07/02/2024	3135G0V75	435,000.00	AA+	Aaa	08/02/19	08/05/19	435,465.45	1.73	1,247.61	435,363.43	458,149.83
FANNIE MAE NOTES DTD 07/08/2019 1.750% 07/02/2024	3135G0V75	750,000.00	AA+	Aaa	07/29/19	07/30/19	745,237.50	1.89	2,151.04	746,293.77	789,913.50
Security Type Sub-Total		3,490,000.00					3,495,427.35	1.37	14,298.23	3,490,727.41	3,578,899.90
Managed Account Sub-Total		4,285,000.00					4,292,166.41	1.38	15,853.66	4,287,138.87	4,399,488.96
Securities Sub-Total		\$4,285,000.00					\$4,292,166.41	1.38%	\$15,853.66	\$4,287,138.87	\$4,399,488.96
Accrued Interest											\$15,853.66
Total Investments											\$4,415,342.62



Managed Account Fair Market Value & Analytics

For the Month Ending **August 31, 2020**

STATE BAR OF TEXAS TEXAS LAW CENTER - 81125014

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	YTM at Mkt
U.S. Treasury Bond / Note										
UNITED STATES TREASURY NOTES DTD 01/15/2020 1.500% 01/15/2023	912828Z29	795,000.00	MORGAN_S		103.22	820,589.06	23,850.00	24,177.60	2.34	0.14
Security Type Sub-Total		795,000.00				820,589.06	23,850.00	24,177.60	2.34	0.14
Federal Agency Bond / Note										
FEDERAL HOME LOAN BANKS NOTES DTD 10/12/2018 3.000% 10/12/2021	3130AF5B9	805,000.00	MORGAN_S		103.17	830,497.57	15,773.17	21,427.36	1.09	0.16
FREDDIE MAC NOTES (CALLABLE) DTD 05/13/2020 0.350% 05/13/2022	3134GVTG3	1,500,000.00	JPM_CHA	11/13/20	100.02	1,500,339.00	339.00	339.00	0.20	0.34
FANNIE MAE NOTES DTD 07/08/2019 1.750% 07/02/2024	3135G0V75	435,000.00	TD		105.32	458,149.83	22,684.38	22,786.40	3.72	0.35
FANNIE MAE NOTES DTD 07/08/2019 1.750% 07/02/2024	3135G0V75	750,000.00	WELLS_FA		105.32	789,913.50	44,676.00	43,619.73	3.72	0.35
Security Type Sub-Total		3,490,000.00				3,578,899.90	83,472.55	88,172.49	1.64	0.30
Managed Account Sub-Total		4,285,000.00				4,399,488.96	107,322.55	112,350.09	1.77	0.27
Securities Sub-Total		\$4,285,000.00				\$4,399,488.96	\$107,322.55	\$112,350.09	1.77	0.27%
Accrued Interest						\$15,853.66				
Total Investments						\$4,415,342.62				



PFM Funds Portfolios

Consolidated Summary Statement

For the Month Ending August 31, 2020

State Bar of Texas

Portfolio Summary

Portfolio Holdings	Cash Dividends and Income	Closing Market Value	Current Yield
PFM Funds - Govt Select, Instl CI	365.03	9,831,807.45	0.03 %
PFM Funds CD Program	0.00	2,677,000.00	* N/A
Total	\$365.03	\$12,508,807.45	

* Not Applicable

Investment Allocation

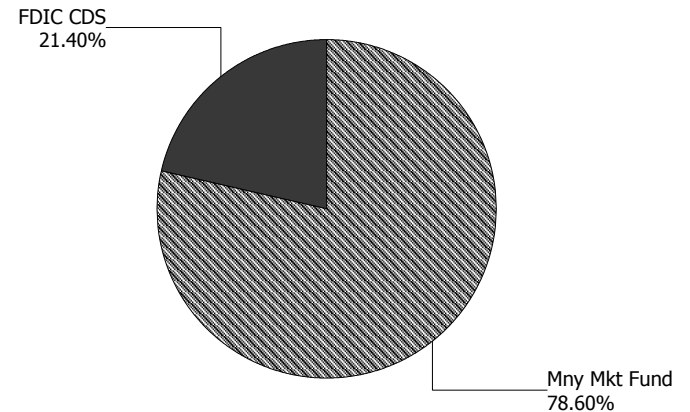
Investment Type	Closing Market Value	Percent
Money Market Mutual Fund	9,831,807.45	78.60
FDIC Insured Bank Certificates of Deposit	2,677,000.00	21.40
Total	\$12,508,807.45	100.00%

Maturity Distribution (Fixed Income Holdings)

Portfolio Holdings	Closing Market Value	Percent
Under 30 days	9,831,807.45	78.60
31 to 60 days	0.00	0.00
61 to 90 days	0.00	0.00
91 to 180 days	0.00	0.00
181 days to 1 year	1,692,000.00	13.53
1 to 2 years	985,000.00	7.87
2 to 3 years	0.00	0.00
3 to 4 years	0.00	0.00
4 to 5 years	0.00	0.00
Over 5 years	0.00	0.00
Total	\$12,508,807.45	100.00%

Weighted Average Days to Maturity 93

Sector Allocation



Consolidated Summary Statement

For the Month Ending **August 31, 2020**

State Bar of Texas

Account Number	Account Name	Opening Market Value	Purchases / Deposits	Redemptions / Sales/ Maturities	Unsettled Trades	Change in Value	Closing Market Value	Cash Dividends and Income
200-00	STATE BAR OF TEXAS - MM	10,354,418.90	309.30	(251.85)	0.00	0.00	10,354,476.35	309.30
995192	CLIENT SECURITY FUND	30,757.43	1.14	0.00	0.00	0.00	30,758.57	1.14
995235	TEXAS LAW CENTER	27,915.86	1.03	0.00	0.00	0.00	27,916.89	1.03
995426	TBLS	1,526,866.55	30.53	(89.19)	0.00	0.00	1,526,807.89	30.53
995463	Annual Meeting Funds	319,155.74	11.03	(70,000.00)	0.00	0.00	249,166.77	11.03
995464	Texas Bar College Special Revenue Funds	327,168.98	12.00	(7,500.00)	0.00	0.00	319,680.98	12.00
Total		\$12,586,283.46	\$365.03	(\$77,841.04)	\$0.00	\$0.00	\$12,508,807.45	\$365.03

Account Statement - Transaction Summary

For the Month Ending **August 31, 2020**

State Bar of Texas - STATE BAR OF TEXAS - MM - 200-00

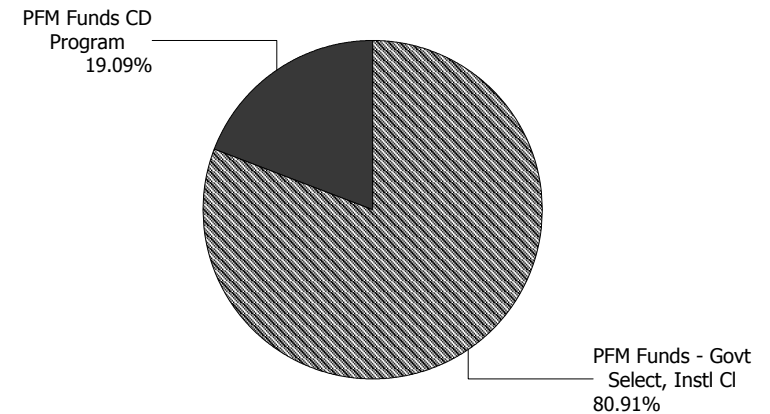
PFM Funds - Govt Select, Instl CI	
Opening Market Value	8,377,418.90
Purchases	309.30
Redemptions	(251.85)
Unsettled Trades	0.00
Change in Value	0.00

Closing Market Value	\$8,377,476.35
Cash Dividends and Income	309.30

PFM Funds CD Program	
Opening Market Value	1,977,000.00
Purchases	0.00
Redemptions	0.00
Unsettled Trades	0.00
Change in Value	0.00

Closing Market Value	\$1,977,000.00
Cash Dividends and Income	0.00

Asset Summary		
	August 31, 2020	July 31, 2020
PFM Funds - Govt Select, Instl CI	8,377,476.35	8,377,418.90
PFM Funds CD Program	1,977,000.00	1,977,000.00
Total	\$10,354,476.35	\$10,354,418.90
Asset Allocation		



Investment Holdings

For the Month Ending **August 31, 2020**

State Bar of Texas - STATE BAR OF TEXAS - MM - 200-00

Trade Date	Settlement Date	Security Description	Maturity Date	Rate	Investment Amount	Accrued Interest	Est. Value at Maturity
PFM Funds CD Program							
06/23/20	06/23/20	CD - Great Midwest Bank,Ssb, WI	06/23/21	0.32	248,000.00	152.20	248,793.60
06/23/20	06/23/20	CD - Cibc, MI	06/23/21	0.45	248,000.00	214.03	249,116.00
06/23/20	06/23/20	CD - Financial Federal Savings Bank, TN	06/23/21	0.30	248,000.00	142.68	248,744.00
06/23/20	06/23/20	CD - Prospect Bank, IL	06/23/21	0.35	248,000.00	166.47	248,868.00
06/22/20	06/22/20	CD - First Capital Bank, TN	06/22/22	0.70	246,000.00	334.96	249,444.00
06/22/20	06/22/20	CD - Third Coast Bank Ssb, TX	06/22/22	0.75	246,000.00	358.89	249,690.00
06/22/20	06/22/20	CD - Pacific Western Bank, CA	06/22/22	0.75	246,000.00	358.89	249,690.00
06/22/20	06/22/20	CD - Piermont Bank, NY	06/22/22	0.45	247,000.00	216.21	249,223.00
Total					\$1,977,000.00	\$1,944.33	\$1,993,568.60

Account Statement

For the Month Ending **August 31, 2020**

State Bar of Texas - STATE BAR OF TEXAS - MM - 200-00

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
PFM Funds - Govt Select, Instl Cl					
Opening Balance					8,377,418.90
08/03/20	08/03/20	IA_FEE CD GROUPED FEE TRANSACTION FOR: 7-31-2020	1.00	(251.85)	8,377,167.05
08/31/20	09/01/20	Accrual Income Div Reinvestment - Distributions	1.00	309.30	8,377,476.35
Closing Balance					8,377,476.35

	Month of August	Fiscal YTD January-August		
Opening Balance	8,377,418.90	2,340,814.49	Closing Balance	8,377,476.35
Purchases	309.30	14,513,982.71	Average Monthly Balance	8,377,193.28
Redemptions (Excl. Checks)	(251.85)	(8,477,320.85)	Monthly Distribution Yield	0.04%
Check Disbursements	0.00	0.00		
Closing Balance	8,377,476.35	8,377,476.35		
Cash Dividends and Income	309.30	13,982.71		

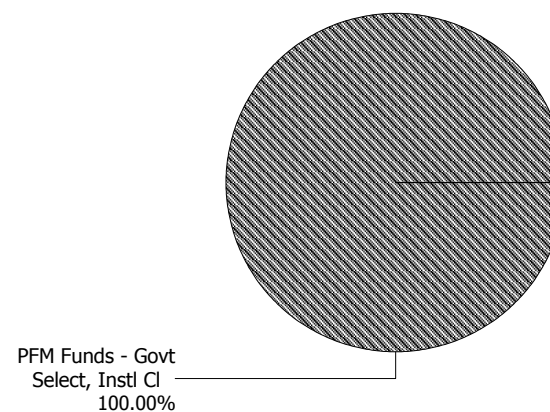
Account Statement - Transaction Summary

For the Month Ending **August 31, 2020**

State Bar of Texas - CLIENT SECURITY FUND - 995192

PFM Funds - Govt Select, Instl CI	
Opening Market Value	30,757.43
Purchases	1.14
Redemptions	0.00
Unsettled Trades	0.00
Change in Value	0.00
Closing Market Value	\$30,758.57
Cash Dividends and Income	1.14

Asset Summary		
	August 31, 2020	July 31, 2020
PFM Funds - Govt Select, Instl CI	30,758.57	30,757.43
Total	\$30,758.57	\$30,757.43
Asset Allocation		



Account Statement

For the Month Ending **August 31, 2020**

State Bar of Texas - CLIENT SECURITY FUND - 995192

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
PFM Funds - Govt Select, Instl Cl					
Opening Balance					30,757.43
08/31/20	09/01/20	Accrual Income Div Reinvestment - Distributions	1.00	1.14	30,758.57
Closing Balance					30,758.57

	Month of August	Fiscal YTD January-August		
Opening Balance	30,757.43	729,450.82	Closing Balance	30,758.57
Purchases	1.14	1,307.75	Average Monthly Balance	30,757.47
Redemptions (Excl. Checks)	0.00	(700,000.00)	Monthly Distribution Yield	0.04%
Check Disbursements	0.00	0.00		
Closing Balance	30,758.57	30,758.57		
Cash Dividends and Income	1.14	1,307.75		

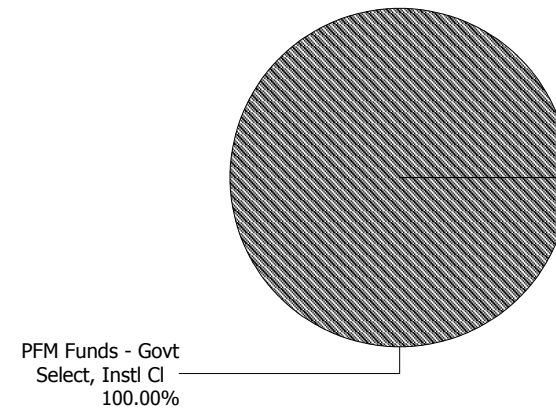
Account Statement - Transaction Summary

For the Month Ending **August 31, 2020**

State Bar of Texas - TEXAS LAW CENTER - 995235

PFM Funds - Govt Select, Instl CI	
Opening Market Value	27,915.86
Purchases	1.03
Redemptions	0.00
Unsettled Trades	0.00
Change in Value	0.00
Closing Market Value	\$27,916.89
Cash Dividends and Income	1.03

Asset Summary		
	August 31, 2020	July 31, 2020
PFM Funds - Govt Select, Instl CI	27,916.89	27,915.86
Total	\$27,916.89	\$27,915.86
Asset Allocation		



Account Statement

For the Month Ending **August 31, 2020**

State Bar of Texas - TEXAS LAW CENTER - 995235

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
PFM Funds - Govt Select, Instl Cl					
Opening Balance					27,915.86
08/31/20	09/01/20	Accrual Income Div Reinvestment - Distributions	1.00	1.03	27,916.89
Closing Balance					27,916.89

	Month of August	Fiscal YTD January-August		
Opening Balance	27,915.86	27,804.17	Closing Balance	27,916.89
Purchases	1.03	112.72	Average Monthly Balance	27,915.89
Redemptions (Excl. Checks)	0.00	0.00	Monthly Distribution Yield	0.04%
Check Disbursements	0.00	0.00		
Closing Balance	27,916.89	27,916.89		
Cash Dividends and Income	1.03	112.72		

Account Statement - Transaction Summary

For the Month Ending **August 31, 2020**

State Bar of Texas - TBLS - 995426

PFM Funds - Govt Select, Instl CI

Opening Market Value	826,866.55
Purchases	30.53
Redemptions	(89.19)
Unsettled Trades	0.00
Change in Value	0.00

Closing Market Value **\$826,807.89**

Cash Dividends and Income 30.53

PFM Funds CD Program

Opening Market Value	700,000.00
Purchases	0.00
Redemptions	0.00
Unsettled Trades	0.00
Change in Value	0.00

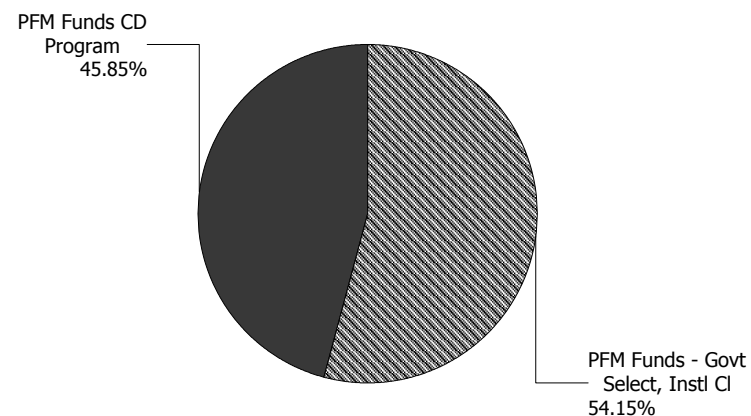
Closing Market Value **\$700,000.00**

Cash Dividends and Income 0.00

Asset Summary

	August 31, 2020	July 31, 2020
PFM Funds - Govt Select, Instl CI	826,807.89	826,866.55
PFM Funds CD Program	700,000.00	700,000.00
Total	\$1,526,807.89	\$1,526,866.55

Asset Allocation



Investment Holdings

For the Month Ending **August 31, 2020**

State Bar of Texas - TBLS - 995426

Trade Date	Settlement Date	Security Description	Maturity Date	Rate	Investment Amount	Accrued Interest	Est. Value at Maturity
PFM Funds CD Program							
06/26/20	06/26/20	CD - New Omni Bank N.A., CA	06/28/21	0.30	204,000.00	112.34	204,615.35
06/26/20	06/26/20	CD - Cit Bank, N.A. (Fka Onewest Bank, N.A.), CA	06/28/21	0.30	248,000.00	136.57	248,748.08
06/26/20	06/26/20	CD - Vast Bank, OK	06/28/21	0.36	248,000.00	163.88	248,897.69
Total					\$700,000.00	\$412.79	\$702,261.12

Account Statement

For the Month Ending **August 31, 2020**

State Bar of Texas - TBLS - 995426

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
PFM Funds - Govt Select, Instl Cl					
Opening Balance					826,866.55
08/03/20	08/03/20	IA_FEE CD GROUPED FEE TRANSACTION FOR: 7-31-2020	1.00	(89.19)	826,777.36
08/31/20	09/01/20	Accrual Income Div Reinvestment - Distributions	1.00	30.53	826,807.89
Closing Balance					826,807.89

	Month of August	Fiscal YTD January-August		
Opening Balance	826,866.55	954,176.85	Closing Balance	826,807.89
Purchases	30.53	723,145.99	Average Monthly Balance	826,784.10
Redemptions (Excl. Checks)	(89.19)	(850,514.95)	Monthly Distribution Yield	0.04%
Check Disbursements	0.00	0.00		
Closing Balance	826,807.89	826,807.89		
Cash Dividends and Income	30.53	3,718.05		

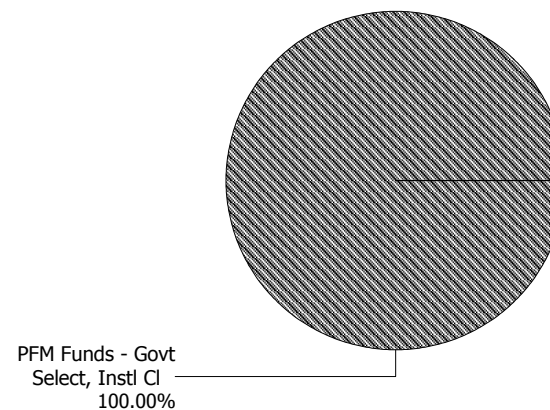
Account Statement - Transaction Summary

For the Month Ending **August 31, 2020**

State Bar of Texas - Annual Meeting Funds - 995463

PFM Funds - Govt Select, Instl CI	
Opening Market Value	319,155.74
Purchases	11.03
Redemptions	(70,000.00)
Unsettled Trades	0.00
Change in Value	0.00
Closing Market Value	\$249,166.77
Cash Dividends and Income	11.03

Asset Summary		
	August 31, 2020	July 31, 2020
PFM Funds - Govt Select, Instl CI	249,166.77	319,155.74
Total	\$249,166.77	\$319,155.74
Asset Allocation		



Account Statement

For the Month Ending **August 31, 2020**

State Bar of Texas - Annual Meeting Funds - 995463

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
PFM Funds - Govt Select, Instl Cl					
Opening Balance					319,155.74
08/19/20	08/19/20	Redemption - Wire Redemption	1.00	(70,000.00)	249,155.74
08/31/20	09/01/20	Accrual Income Div Reinvestment - Distributions	1.00	11.03	249,166.77
Closing Balance					249,166.77

	Month of August	Fiscal YTD January-August		
Opening Balance	319,155.74	317,878.93	Closing Balance	249,166.77
Purchases	11.03	1,287.84	Average Monthly Balance	289,801.26
Redemptions (Excl. Checks)	(70,000.00)	(70,000.00)	Monthly Distribution Yield	0.04%
Check Disbursements	0.00	0.00		
Closing Balance	249,166.77	249,166.77		
Cash Dividends and Income	11.03	1,287.84		

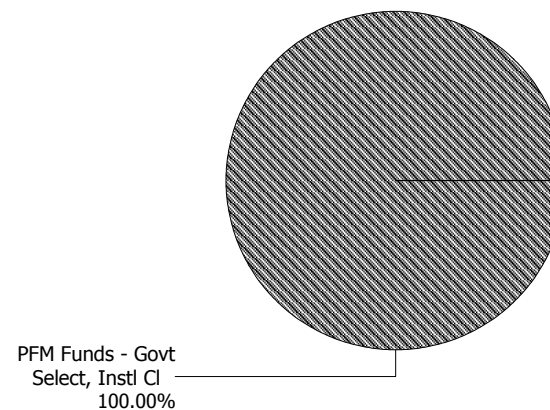
Account Statement - Transaction Summary

For the Month Ending **August 31, 2020**

State Bar of Texas - Texas Bar College Special Revenue Funds - 995464

PFM Funds - Govt Select, Instl CI	
Opening Market Value	327,168.98
Purchases	12.00
Redemptions	(7,500.00)
Unsettled Trades	0.00
Change in Value	0.00
Closing Market Value	\$319,680.98
Cash Dividends and Income	12.00

Asset Summary		
	August 31, 2020	July 31, 2020
PFM Funds - Govt Select, Instl CI	319,680.98	327,168.98
Total	\$319,680.98	\$327,168.98
Asset Allocation		



Account Statement

For the Month Ending **August 31, 2020**

State Bar of Texas - Texas Bar College Special Revenue Funds - 995464

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
PFM Funds - Govt Select, Instl Cl					
Opening Balance					327,168.98
08/19/20	08/19/20	Redemption - Wire Redemption	1.00	(7,500.00)	319,668.98
08/31/20	09/01/20	Accrual Income Div Reinvestment - Distributions	1.00	12.00	319,680.98
Closing Balance					319,680.98

	Month of August	Fiscal YTD January-August		
Opening Balance	327,168.98	194,068.40	Closing Balance	319,680.98
Purchases	12.00	161,112.58	Average Monthly Balance	324,024.21
Redemptions (Excl. Checks)	(7,500.00)	(35,500.00)	Monthly Distribution Yield	0.04%
Check Disbursements	0.00	0.00		
Closing Balance	319,680.98	319,680.98		
Cash Dividends and Income	12.00	1,112.58		

Quarterly Investment Report Certification

This report fairly represents the investment standing of the State Bar of Texas as of August 31, 2020 and the investment activity for the period June 1, 2020 through August 31, 2020.


We believe the data presented for the quarter ending August 31, 2020 is accurate in all material respects and is presented in a manner that fairly sets forth the investment standing of the State Bar of Texas. We further believe that all data necessary to represent the activity for the quarter is included in this text.

This report was prepared in compliance with the State of Texas "Public Funds Investment Act" and the State Bar of Texas' "Investment Policy".

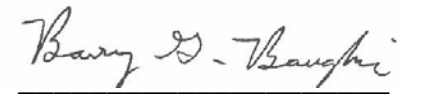
Public Funds Investment Act Training Report: All State Bar board members and officers have received training as required by the Texas Government Code Section 2256.007 as of the date of this investment report. All new board members have received training within 6 months of taking office. The investment officer received training from a board approved training provider within the fiscal biennium.



Trey Apfel
Executive Director
State Bar of Texas



Tracy Jarratt, CPA
Finance Division Director
State Bar of Texas



Barry Baughier
Director
PFM Asset Management LLC

Dated: 9/18/2020

Public Funds Investment Act Training

Register for PFIA On-Line Classes

Sponsored by the William P. Hobby Center for Public Service at Texas State University

Public Funds Investment Act (PFIA) training is provided through the auspices of Leita Hart-Fanta. Ms. Hart-Fanta is the PFIA course designer and instructor for the PFIA training courses offered by Texas State University. Ms. Hart-Fanta is a graduate of the University of Texas at Austin. She is a Certified Public Accountant, Certified Government Financial Manager, and Certified Government Audit Professional. She serves on the government conference planning committee the Texas Society of CPAs and is a member of the AICPA, TSCPA, IIA, and AGA. For additional information about Leita Hart-Fanta, go to Yellowbook-CPE.com.

Are you tired of traveling to a distant city to satisfy your 10-hour training requirement?

Would you like to choose your own curriculum from a menu of choices?

Would you like to learn something new and fresh about investments?

Then this online course is for you!

A portfolio manager taking the course says:

"This beats sitting in class for two days. It was convenient—I worked at my pace and time schedule. Information was an interesting refresher and not focused entirely on repetitive topics of regulation."

An investment officer taking the course says:

"You have made this a very positive experience and I plan on obtaining my investment credits through your program every year going forward. As you know, governments are strapped for cash and although we must continue to train our staff, we not long have the cash and budget to do so. Thereby, I was delighted to find this option. Attending a seminar requires an overnight stay . therefor not only do we incur the hotel and travel costs. but also lost time

working to travel to and from the seminar."

Designed with the busy city official in mind.

This online course is designed to help you comply with the training requirements of the Public Funds Investment Act without having to travel to attend a seminar or conference. All of the instruction can be done at your own pace in your own home or office. All you need to complete the course is access to the internet and a physical mailing address.

We send you books on topics that you select. You read the books and answer a series of questions online. Once you complete your questions, we send you a certificate of completion. It really is that easy!

What does the Public Funds Investment Act require?

In 2015, the Texas Legislature updated the requirements of the Public Funds Investment Act. The Act ([Chapter 2256, Texas Government Code](#)) governs the investment of public funds in Texas and requires that treasurers, chief financial officers, and investment officers of government entities complete training on topics pertinent to the Act. The required number of credit hours differs based on the type of government entity as follows:

Type of Government Entity	Initial Training	Renewal Training (every 2 years)	Exceptions	2 Year Training Period
Municipalities	10 hours within first 12 months in position	8 hours	No investments outside of Interest Bearing Accts and local CDs – Exempt from renewal training at the discretion of the Entity and the local auditor	Based on Entity's fiscal year
Type of School Districts Government Entity	10 hours within first 12 months in position	Renewal Training 8 hours (every 2 years)	Exceptions	Based on Entity's fiscal year

Other Local Governments	10 hours within first 12 months in position	10 hours		Based on Entity's fiscal year
State Agencies and Institutions of Higher Education	5 hours within first 6 months in position	5 hours		Based on the State fiscal biennium
Water Entities (Ch. 36 or 49 only)	6 hours within first 12 months in position	4 hours		Based on Entity's fiscal year

Texas State University provides over a dozen topics to choose from. The topics and a combination of topics – is up to you. We strongly recommend that public officials unfamiliar with the Public Funds Investment Act enroll in the module entitled “The Act.”

What does the course cost?

4-8 hours	\$200
9 hours	\$270
10 hours	\$300
11 hours	\$330
12 hours	\$360

How can I pay for the course?

Payment may be made by credit card or check. A Purchase Order for payment can be submitted by your organization. When you register for the course work, you are taken to the TouchNet payment site. Follow the instructions for registration and payment. If you have any questions, please contact Marilyn Belanoff at mb200@txstate.edu.

questions, please contact Mariynn Balanoff at mb39@txstate.edu.

How does it work?

Once you have registered for your course and selected your modules, you will receive an automated email from the Canvas System (Canvas learning management system). In the email, you will be instructed how to log on to the Canvas learning management system where you will find instructions on how to complete each module.

You can immediately begin learning modules that are based on on-line documents and videos. If you select modules that are based on hard-copy books, those will be mailed to your home or office. Once you have read your assigned documents, simply log back into the system to answer questions about your reading.

The learning management system will give you feedback about the accuracy of your answers to the questions immediately. To earn credit for a learning module, you must answer 70% of the questions correctly.

Once you have completed all of your modules and submitted your honesty statement and evaluation email Leita@leitahart.com Shortly after you have submitted your honesty statement and evaluation and sent your email to Leita Hart you will receive an email with an attached Certificate of Completion for your PFIA Training..

Learning Modules

You get to choose your curriculum!

Choose any combination of modules to add up to the number of hours you need. Your selection is completely up to you.

NOTE: If you are a returning student, please select modules that you have not taken before. If you need to know which modules you have already taken, email leita@leitahart.com

America's Impact on Investments Across the World - 10 hours

Begin this module by reading the hard-copy book Boomerang by best selling author Michael Lewis, which describes how the character of different countries shapes the world economy. Then find out how an American financial powerhouse, Goldman Sachs, shapes the world's economic health in the hard-copy book Money and Power: How Goldman Sachs Came to Rule the World by William D. Cohen.

Banking Terminology – 5 hours

In this module, read the rich and interesting hard-copy book, [Financial Terms Dictionary: Banking Terminology Explained](#) by Thomas Herold. This practical financial glossary helps you understand common financial terms and is written so you can grasp the context and proper usage of the term without using jargon.

Bonds - 5 hours

In this module, we will cover bond types and bond terminology using two videos and two documents.

Cash Flow - 5 hours

Is your government wise about managing working capital resources? The Public Funds Investment Act seeks to protect the financial resources of governments and universities. But how do entities generate enough excess resources to invest?

[The Four Principles of Happy Cash Flow](#), by Leita Hart-Fanta, CPA, shares ideas for managing working capital and cash so that you generate as much cash as possible in your organization.

Cash Reserves and the Detroit Bankruptcy- 5 hours

Governments set aside cash as a buffer against emergency, but how do you buffer against economic decline? In this module, consider a worst-case scenario for a government as we examine the Detroit bankruptcy as well as look at reserves planning for a financially stable government. Read three articles, one study, one guideline and watch a video from NBC Nightly News.

Common Sense Economics - 8 Hours

What economic forces are at work shaping your investment returns and the safety of your organization's resources? Enjoy the surprisingly entertaining hard-copy book entitled [Basic Economics: A Common Sense Guide to the Economy](#) by Thomas Sowell published in 2015. The book is filled with interesting examples and stories making the 625 pages of hard-copy text less daunting.

Commercial Paper - 2 hours

In this module, learn the role of commercial paper in our economy and how the Federal Reserve supported the commercial paper market to prop up the economy during the 2008 and 2020 financial crisis.

Credit Ratings - 4 hours

A government's credit rating impacts the cost of public debt. Who creates these ratings and why was the US credit rating downgraded? In this module, watch three videos and read a few short papers to understand how credit ratings work.

Derivatives- 2 Hours

A derivative contract is often based on the price movement of an underlying asset, such as a stock. Examples of derivatives are futures, forwards, options and swaps. In this module, how to recognize derivatives so that you do not put public funds at risk.

Due Diligence – 2 hours

As an investment officer, you are responsible for prudently investing your organization's extra cash. And there are plenty of folks who would love to control your investments and earn a living from them. In this module, learn simple due diligence procedures that make sure that you and those you serve are not misled by slick investment guys in dark suits!

Federal Monetary Policy - 4 Hours

This module explains the role of the Federal Reserve in stabilizing the economy. For this module, you will read two documents and watch several entertaining videos on centralized banking and quantitative easing from Khan Academy.

Financial Statement Analysis - 3 hours

In the hard-copy book, Accounting Demystified, Leita Hart-Fanta, CPA leads you through the basics of conducting a financial statement analysis.

Fraud – 3 hours

Learn about fraud prevention and detection. As one of the readings tells us “Fraud is a common risk that should not be ignored. The incidence of fraud is now so common that its occurrence is no longer remarkable, only its scale.”

Graphics - 3 Hours

In this module, you will read the hard-copy book Say It With Charts by Gene Zelanzy and learn how to present investment information using user-friendly graphics and tables.

Internal Controls - 8 Hours

How do you help make sure bad things don't happen to your entity's investments? Internal controls!

Wise managers intentionally design controls to protect investment assets. In this module, read a PDF of Standards for Internal Control by Leita Hart-Fanta and three articles from Treasurer Magazine.

Investment Policy - 2 hours

What should your entity's investment policy contain? In this module, review GFOA and treasurer association guidelines so that you create the best investment policy document for your entity. A few actual investment policies are also included for your consideration.

actual investment policies are also included for your consideration.

Investment Pools – 1 hour

Investment pools allow governments to rely on investment experts to manage their investments, but no investment manager is infallible. In this short module, read guidance from the National Association of State Auditors, Comptrollers, and Treasurers, read a Reuters article written shortly after the 2008 financial crisis, and explore the Standards and Poor Local Government Investment Pool rating site.

Leading Indicators - 5 hours

How did we come by the “leading indicators” we place such stock in? We allocate trillions of dollars and make public policy and personal decisions based upon them, but what do they really tell us? Read the hard-copy book, The Leading Indicators: A Short History of the Numbers that Rule our World by Zachary Karabell to find answers.

Money Market Reform – 5 hours

After the 2008 financial crisis, the SEC moved to change the regulations regarding money markets.

Read 4 short documents and watch one short video to get an overview of the changes and their impact on investors.

Mutual Funds – 3 hours

In this module you will learn the basics terminology and concepts regarding mutual funds, including a little bit of the history of mutual funds.

Power of the Federal Reserve Chairman - 6 hours

In this module, read the hard-copy book, The Man Who Knew: The Life and Times of Alan Greenspan by Sebastian Mallaby. Alan Greenspan, a master of explaining the economic weather to those in power, was the chairman of the Federal Reserve during the economic crisis of 2008.

Risk and Diversification - 2 Hours

Learn the essential concepts of investment risk and diversification. Watch 3 short videos and read a guide on asset allocation from the SEC.

The ACT – 2 hours

In this module, review the Public Fund Investment Act legislation and a compliance checklist. This module is recommended for all new investment officers.

The Ascent of Money – 10 hours

In this module, you will read a hard-copy of the New York Times Bestseller, The Ascent of Money, by Niall Ferguson, to learn the history of money and identify the economic forces that precipitated gigantic

government bailouts and upended global markets.

The Dark Side of Computer Trading - 5 hours

In the hard-copy book Flash Boys, the #1 New York Times Bestseller by Michael Lewis, learn how traders make profits off of flaws in the computerized systems that make trading so easy.

The Impact of Debt - 6 hours

In the international bestselling hard-copy book, Debt: The First 5000 Years, David Graeber describes how debt and debt forgiveness have sparked innumerable insurrections and sparked political debates in every great economy for the past 5000 years. Graeber describes how we are still fighting these battles today and shows us how debt impacts the US economy and our investing behavior.

The Trigger of the PFIA: Orange County - 2 Hours

In this policy summary by the Public Policy Institute of California you will learn why the Orange County Bankruptcy happened including legislation that tied elected official's hands and encouraged them to make very risky investments. Then read about how Orange County got out of bankruptcy and about the resulting reforms in California and Texas.

Frequently Asked Questions

What is the refund policy?

Once you register for this course, NO refund will be given. Depending on circumstances, you may be granted an extension of time to complete the course.

How long do I have to complete the course?

You will have six (6) months from the day your password is sent to complete the course.

When will I get my certificate of completion?

Your certificate will be delivered via email within a few days after you email Leita@leitahart.com and inform her that you have completed the course.

Who can I contact to ask questions?

At any time during your studies, you may contact Leita Hart, the curriculum designer, at Leita@leitahart.com

If you have questions on the process and/or procedures for the course, contact Marilyn Balanoff (mb39@txstate.edu Phone: 512-422-8955) or Jeff Fanta (Jeff@yellowbook-cpe.com).

How do I register?

Please proceed to our Marketplace to register and select payment option. If you have any questions, please contact Marilyn Ballanoff at mb39@txstate.edu. We will contact you via email with further instructions once we receive your registration. If your modules are based on hardcopy books, you can expect delivery at your home or office within two weeks. Please note, if you select to be invoiced, payment is due within 30 days of your order.

Register for PFIA On-Line Classes

3.05 Investments

3.05.01 Investment Standard. The State Bar shall invest its funds in a manner in which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but to, in order of priority, preserve and safeguard the principal amount invested, provide liquidity to meet operating cash flow needs, and earn the highest yield possible considering the required safeguards.

3.05.02 Investment Manager. The Board, through its Audit and Finance Committee, may contract with an investment manager for professional investment services. Pursuant to the Public Funds Investment Act, §2256.003, a contract for professional investment services may not be for a term in excess of 2 years. A renewal or extension of the contract for professional investment services must be made by order, ordinance or resolution of the Board. The selection of the investment manager shall be the subject of a request for proposal procedure every five years. At any time the Board may request that a request for proposal be issued for investment management services.

3.05.03 Application. This investment policy applies to the financial assets of all State Bar funds and funds of Bar-related groups, to include those of the General Fund, Client Security Fund, all special revenue funds, enterprise funds, sections and divisions.

3.05.04 Committee Review. The Board's Audit and Finance Committee shall review the investment policy annually. Recommendations for modifications to the policy may be made by the Executive Director, the Board's Audit and Finance Committee, an Officer, or Board Member. This policy and any amendments to it must be authorized by Board action.

3.05.05 Approved Investments. The Board authorizes the Executive Director and/or investment manager (as contracted by the Audit and Finance Committee of the Board) to invest funds of the State Bar that are available for investment in any account, time or demand, and the following "fixed income" securities:

(A) U. S. Treasury Securities. U.S. Treasury securities are direct obligations of the United States Government. U.S. Government obligations are the highest quality and are the most liquid and marketable of investment securities. Investments in this category will include Treasury bills, Treasury notes, and Treasury bonds. U.S. Treasury bills are sold on a discount basis and have initial maturities of three months, six months, and one year. U.S. Treasury notes and Treasury bonds are coupon-bearing instruments with initial maturities from two to ten years for notes and ten to thirty years for bonds.

The maximum average maturity of the U. S. Treasury securities portfolio will not exceed five years.

(B) Federal Agencies. After U. S. Treasury securities, Federal agency securities (government sponsored enterprises) are generally regarded as the next highest quality investment suitable for the portfolio. Agencies generally offer a rate of return higher than direct U.S. Treasury securities. The spread difference in yield will be affected by the general level of interest rates, markets, and economic conditions at any given time. Consideration should be given to the spread relationship existing when portfolio investment decisions are made.

Securities included in this category are debt issuance by the Federal Farm Credit System (Farm Credits), Federal Home Loan Bank (FHLB), the Federal National Mortgage Association (FNMA), the Student Loan Marketing Association (SLMA), the Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac"), the Government National Mortgage Association (GNMA or "Ginnie Mae"), and Small Business Administration (SBA).

The maximum average maturity of the U.S. agency section of the portfolio will not exceed five years.

(C) Collateralized Deposits: The State Bar will monitor all deposits that are held with the State Bar's custodian bank(s) to ensure that all deposits are fully insured or collateralized, as required by the Public Funds Collateral Act, §2257, of the Texas Government Code ("PFCA"). Pursuant to §2257, the State Bar will require the custodian bank(s) to pledge securities that are authorized under §2256.009 of the Public Funds Investment Act ("PFIA"). In accord with the PFCA, deposits that exceed the FDIC insurance limit will be collateralized by the deposit institution holding such deposits. Since, generally, all deposits are fully invested in securities, the collateralization of such invested deposits will not be necessary when such deposits are fully and continuously invested in

securities. If there are any funds awaiting investment, such funds should be fully collateralized at all times pursuant to the PFCA. The custodian bank(s) will be notified regarding the collateralization and investment policy requirements. The State Bar's expectation of total and full compliance with the PFIA and the PFCA is of paramount importance and such expectation will be clearly communicated to custodian bank(s). Financial institutions serving as depositories will be required to sign an Agreement with the State Bar and its safekeeping agent for the collateral, perfecting the State Bar's rights to the collateral in case of default, bankruptcy or closure.

(D) Money Market Investments. Money market investments are short-term investments that normally have a maturity of one year or less and are used for liquidity and income maximization purposes. Acceptable investments that may appear in this category are:

(1) Domestic CDs (time deposits). Certificates of deposit issued by depository institutions, wherever located that are:

(a) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor, or the National Credit Union Share Insurance Fund, or its successor; or

(b) secured by obligations that are described in Subsections 3.05.05(A) and (B) above, with a market value of not less than the principal amount of the certificates plus accrued interest. Pledged collateral securities must be held in a third-party custody account authorized by the State Bar.

(2) Banker's Acceptances. Bankers acceptances must have a stated maturity of 270 days or less from the date of its issuance that will be liquidated in full at its maturity, is eligible for collateral for borrowing from a Federal Reserve Bank and is accepted by a bank organized and existing under the laws of the United States and if the short-term obligations of the bank, or of the bank holding company of which the bank is the largest subsidiary, are rated not less than A-1 or P-1 or an equivalent rating by at least one nationally recognized credit rating agency.

(3) Repurchase Agreements (Repos) Repurchase Agreements must be fully collateralized and have a defined termination date. They must be placed with a primary government securities dealer, as defined by the Federal Reserve, or a bank doing business in Texas. Repurchase agreements must be collateralized by U.S. Treasury or Agency securities and collateral must be held in a third-party custody account authorized by the State Bar.

(4) Money Market Investments. A no load money market mutual fund is an approved investment under this policy if the investment meets one of the following two criteria:

(a) It is registered with and regulated by the Securities and Exchange Commission; it provides the State Bar with a prospectus and other information required by the Securities Exchange Act of 1934 (15 U.S.C. Section 78a, et seq.) or the Investment Company Act of 1940 (15 U.S.C. Section 80a-1, et seq.); and it complies with federal Securities and Exchange Commission Rules 2a-7 (17 C.F.R. Section 270.2a-7) promulgated under the Investment Company Act of 1940 (15 U.S.C. Section 80a-1, et seq.); or

(b) It is registered with the Securities and Exchange Commission; it has an average weighted maturity of less than two years; and it either:

(i) has a duration of one year or more and is invested exclusively in obligations approved by this policy; or

(ii) has a duration of less than one year and the investment portfolio is limited to investment grade securities excluding asset-backed securities.

(5) Commercial Paper Commercial Paper must have a stated maturity of 270 days or less from the date of issuance and must have a credit rating of not less than A-1, P-1 or the equivalent by at least two nationally recognized credit rating agencies.

(E) Investment Concentrations. The State Bar intends to follow the guidelines described below on investment concentrations within the investment portfolio (IP):

(1) U.S. Treasury and Federal Agency Securities. Up to 100% of the IP.

- (2) Mortgage-Backed Securities.** Guaranteed by U.S. Government Sponsored Agencies up to 30% of the IP.
- (3) Certificates of Deposit.** Up to 30% of the IP, but no more than 5% with any single bank.
- (4) Banker's Acceptance.** Up to 15% of the IP, but no more than 5% with any single issuer.
- (5) Repurchase Agreements.** Up to 30% of the IP, but no more than 10% with any single issuer.
- (6) Money Market Mutual Funds.** Up to 100% of the IP.
- (7) Commercial Paper.** Up to 30% of the IP, but no more than 5% with any single issuer.

Investments in collateralized mortgage obligations are strictly prohibited. These securities are also disallowed for collateral positions. The State Bar will not be required to liquidate investments that were authorized investments at the time of purchase.

The investment manager will monitor the various investment alternatives and select the securities that best meet the State Bar's overall, long-term goals. Concentrations of each type of security will not exceed the maximum limits outlined above, but specific concentrations of investment types will be dictated by the following considerations: quality, liquidity, relative sector yield spreads vs. historical spreads, maturity concentrations, time horizon.

Investments will only be made with those firms and institutions which have been approved by the Board of Directors. The investment manager will be responsible for analyzing and evaluating the broker/dealer firms and for reporting their list of qualified firms to the Committee for approval.

It is the policy of the State Bar to require competitive bidding for all individual security purchases except for those transactions with money market mutual funds which are deemed to be made at prevailing market rates and for government securities purchased at issued through a primary dealer at auction price. At least three bidders must be contacted in all transactions involving individual securities. Competitive bidding for security swaps is also required. Bids may be solicited in any manner provided by law and shall be documented.

(F) Collateralization. In addition to the collateral requirements for State Bar deposits, as discussed in Subsection 3.05.05(C), Certificates of Deposit (CD) and Repurchase Agreements (Repo) must also be collateralized in accordance with State Law. Eligible securities for collateralization of CDs and Repo shall be U.S. Treasury and Agency securities. For CDs, the market value of the pledged collateral securities must at all times be equal to or greater than the par value of the CD plus accrued interest, less the amount insured by the FDIC. For Repos, the market value of the pledged collateral securities shall be a percentage of the par value of the agreement plus accrued interest and shall be maintained at the following levels:

Collateral Maturity	U.S. Treasury Securities	U.S Government Securities
1 year or less	101%	101%
1 to 5 years	102%	102%
Over 5 years	103%	104%

(G) Reporting. The Investment Manager for the State Bar of Texas will provide a detailed accounting and appraisal report detailing, among other things, investments' descriptions, coupons, maturities, CUSIP identification numbers, purchase cost, amortized cost and market values on a monthly basis. Market valuations are based on current information and appraisals taken from third party market makers, whom the Manager believes provides reliable information and valuations.

The investment manager will prepare a report for the State Bar quarterly. The report will include a listing of securities, a current appraisal reflecting gains or losses, a list of securities purchased or sold during the period, and an analysis of the IP's performance for the period and since inception.

Representatives of the investment manager will meet with the State Bar semi-annually or as needed to discuss

investment strategy, actions taken, and the general economic environment within which the State Bar's investments will be managed.

Not less than quarterly the Investment Officers will submit to the Audit and Finance Committee and the Board a written report of the status of the current investment portfolio. The report must meet the requirements of Chapter 2256 of the Government Code (Public Funds Investment Act) and:

- (1) describe in detail the investment position of the State Bar on the date of the report;
- (2) be prepared jointly by all investment officers of the State Bar;
- (3) contain a summary statement, prepared in compliance with generally accepted accounting principles of each pooled fund group that states the beginning market value for the reporting period, additions and changes to the market value during the period, ending market value for the period and fully accrued interest for the reporting period.
- (4) state the book value and market value of each separately invested asset at the beginning and end of the reporting period by the type of asset and fund type invested;
- (5) state the maturity date of each separately invested asset that has a maturity date;
- (6) state the account or fund or pooled fund group from which each individual investment was acquired; and
- (7) state the compliance of the investment portfolio as it relates to the investment strategy and relevant provisions of this Policy and the Public Funds Investment Act.

An independent auditor shall formally review the quarterly reports prepared under this Subsection at least annually, and that auditor shall report the results of the review to the Board.

(H) *Exceptions to Policy.* Exceptions to the investment policy must have prior approval by a majority of the Board at a called, regularly scheduled, or telephone call meeting. Changes to the investment policy will be made, as needed, after action by the Board.

(I) *Methods to Monitor Market Price.* The investment manager shall provide market valuations of all State Bar investments using Bloomberg, or another third-party market valuation service.

The Executive Director or investment manager shall report to the Audit and Finance Committee at least quarterly on the market prices and the performance of the investments made by, or on behalf of, the State Bar.

(J) *Monitoring Rating Changes.* Pursuant to the PFIA, Section 2256.021, an investment that requires a minimum rating under State law does not qualify as an authorized investment during the period the investment does not have the minimum rating. The State Bar's Investment Manager will be responsible for monitoring ratings of all State Bar investments placed with the Investment Manager. The Investment Manager will maintain a process whereby the State Bar's Investment Officer will be promptly notified in the event of a downgrade of an investment below State law or State Bar's Investment Policy limits. The Investment Manager will provide a recommendation on how best to resolve the issue with the intent to take all prudent measures that are consistent with State Bar's Investment Policy to liquidate an investment that does not have the minimum rating.

3.05.06 *Delegation of Authority*

(A) *Investment Officer.* The State Bar shall designate the Finance Division Director as investment officer responsible for the investment of its funds, under the direction and authority of the Executive Director. This includes investments for the State Bar General Fund, Client Security Fund and the special revenue funds.

(B) *Procedures.* The State Bar's investment officer shall establish written procedures for the operation of the investment program consistent with this Investment Policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this Policy and the written procedures. Authority granted to a

person to invest the State Bar's funds is effective until rescinded or until termination of the person's employment by the State Bar. The investment officers shall be responsible for all transactions undertaken and shall establish a system of controls, to be reviewed by the State Bar's independent auditor, to regulate the activities of subordinate officials. The investment officers shall possess sufficient working knowledge of economics and securities markets, as well as the supervisory experience and judgment necessary to carry out the responsibilities outlined in this Policy.

(C) Ethics and Conflicts of Interest.

(1) Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

(2) Officers and employees involved in the investment process shall sign annual statements agreeing to abide by this section of the Investment Policy and affirming no known conflicts of interest.

(3) Officers and employees involved in the investment process must file a disclosure with the State Bar of Texas if:

(a) the Officer or employee has a personal business relationship with a business organization offering to engage in an investment transaction with the State Bar of Texas; or

(b) the Officer or employee is related within the second degree by affinity or consanguinity, as determined under Chapter 573 of the Texas Government Code, to an individual seeking to transact investment business with the State Bar of Texas

(4) An officer or employee involved in the investment process has a personal business relationship with a business organization if:

(a) the Officer or employee owns 10 percent or more of the voting stock of shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;

(b) funds received by the officer or employee from the business organization exceed 10 percent of his/her gross income for the previous year; or

(c) the Officer or employee has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for his/her personal account.

(D) Training. The Investment Officers and the persons authorized to execute investment transactions shall attend at least one investment training session within 6 months after taking office or assuming duties and receive not less than 10 hours of instruction relating to investment responsibilities every two years. The training provider must be an independent source approved the Board of Directors.

3.05.07 Investment Objectives. All funds shall be managed and invested with three primary objectives, listed in order of their priority – safety and liquidity, diversification and yield:

(A) Safety of Principal. Safety of principal is the foremost objective of the State Bar. Investments of the State Bar shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio. To obtain this goal, diversification is required in the portfolio's composition. The suitability of each investment decision will be made on the basis of these objectives.

(B) Diversification. Diversification of the portfolio will include diversification by maturity and market sector when appropriate and will include the use of a number of broker/dealers for diversification and market coverage. Competitive bidding will be used on each sale and purchase.

(C) Yield. The State Bar's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the State Bar's risk constraints and the cash flow requirements of the portfolio. "Market rate of return" may be defined as the average yield of the current

three-month U.S. Treasury Bill or such other index that most closely matches the average maturity of the portfolio.

The individual strategy of each of the State Bar's three types of funds are as follows. To the extent possible, the State Bar will match its investments with anticipated cash flow requirements while minimizing market risk. The State Bar will not directly invest funds needed for current operations in securities maturing more than twenty-four months or posing potential credit risk, such as corporate bonds. Reserve funds may be invested in securities authorized by this policy with maturities of such investments to coincide as nearly as practical with the expected use of the funds.

The State Bar's General Fund's and Client Security Fund's assets are not necessary for day-to-day operations. The General Fund and Client Security Fund portfolios may be invested in longer-term securities, but each portfolio will not exceed a five-year average maturity. While investments may be repositioned when prudent, the primary objective of both funds is capital preservation and stable, real (after inflation) increased income. The operation's funds are invested in very short-term investments while the General Fund and Client Security Fund are invested in medium term maturities providing good diversification and income stability over longer time periods for the State Bar's total investments.

The State Bar also directs the investment manager to not record any material book value losses on any security transaction without prior consent of the Executive Director and the Audit and Finance Committee.

3.05.08 Accounting Department. Interest income received by the State Bar from investments will be received by the Accounting Department for deposit to the State Bar's General Fund, Client Security Fund or special revenue funds accounts. The Accounting Department will be responsible for maintaining all investment and interest payment records for the purpose of reconciliation and preparation of financial statements.

3.05.09 Settlement Method. Settlement of all transactions made by or on behalf of the State Bar, except for investment in pool funds and mutual funds, shall be on a delivery versus pay method rather than delivery versus confirmation. The State Bar will contract with a bank or banks for the safekeeping of securities either owned by the State Bar as a part of its investment portfolio or held as collateral to secure certificates of deposits or repurchase agreements. These accounts shall be in the name of the State Bar.

3.05.10 Public Funds Investment Act. All actions taken in all of the State Bar's investment portfolios will be in compliance with the Public Funds Investment Act.

3.05.11 Annual Compliance Audit. In conjunction with the annual financial audit, a compliance audit shall be performed which includes an audit of management controls on investments and adherence to the State Bar's established policy.

3.05.12 Certification. A copy of this Investment Policy shall be provided to the investment manager under contract and the firm shall agree under the terms of the contract to transact all investment business according to the requirements and limitations of the Investment Policy.

PFM Asset Management LLC
Approved Broker/Dealer List
Second Quarter 2020

‡ Academy Securities Inc.	Jane Street Execution Services LLC
* Amherst Pierpont Securities LLC	* Jefferies LLC
‡ Bancroft Capital LLC	* J.P. Morgan Securities LLC
* Barclays Capital Inc.	Keybank Capital Markets
BB&T Capital Markets	† Loop Capital Markets LLC
† Blaylock Robert Van LLC	Lloyds Securities Inc.
* BMO Capital Markets Corp.	MarketAxess Corporation
* BNP Paribas Securities Corp.	Mitsubishi UFJ Securities (USA), Inc.
BNY Capital Markets LLC	* Mizuho Securities USA Inc.
* BofA Securities, Inc.	* Morgan Stanley & Co. LLC
† Cabrera Capital Markets LLC	* NatWest Markets Securities Inc.
* Cantor Fitzgerald & Co.	* Nomura Securities International, Inc.
† CastleOak Securities	Performance Trust Capital Partners, LLC
* Citigroup Global Markets Inc.	Piper Jaffray & Company
† C.L. King & Associates, Inc.	PNC Capital Markets LLC
Commerz Markets LLC	* RBC Capital Markets, LLC
Credit Agricole Securities (USA), Inc.	Robert W. Baird & Co.
* Credit Suisse Securities (USA) LLC	‡ Roberts & Ryan Investments, Inc.
* Daiwa Capital Markets America Inc.	Scotia Capital (USA), Inc.
* Deutsche Bank Securities Inc.	* SG Americas Securities LLC
‡ Drexel Hamilton LLC	† Siebert Williams Shank & Co LLC
Fifth Third Securities, Inc.	SMBC Nikko Securities America Inc
FTN Financial	Stifel, Nicolaus & Company, Incorporated
* Goldman Sachs & Co. LLC	SunTrust Robinson Humphrey, Inc.
Guggenheim Securities, LLC	Susquehanna Financial Group, LP
Hilltop Securities Inc.	* TD Securities (USA) LLC
* HSBC Securities (USA) Inc.	Tradition Asiel Securities, Inc.
ICAP Corporates, LLC	* UBS Securities LLC
ING Financial Markets, LLC	U.S. Bancorp Investments, Inc.
INTL FCStone Partners L.P.	Vining Sparks IBG, L.P.
Incapital LLC	* Wells Fargo Securities, LLC

* *Primary Government Securities Dealer*

† *Minority or woman owned business enterprise*

‡ *Service Disabled-Veteran Owned*

Note: Direct issuers of CP and CDs are considered to be approved counterparties if approved as an issuer.

Important Disclosures

This list is current as of the effective date only and is subject to change without notice. This list is for informational purposes only, and may not be relied upon for any other purpose. The list does not imply counterparty approval for derivatives of any type. This information is confidential and may not be distributed without prior written consent of PFM Asset Management LLC.

