

ANNUAL FINANCIAL REPORT

Texas Education Agency

For the Twelve Months Ended
August 31, 2025





TEXAS EDUCATION AGENCY
Austin, Texas

Year Ended August 31, 2025

November 1, 2025

Honorable Gregg Abbott, Governor
Honorable Kelly Hancock, Texas Comptroller
Jerry McGinty, Director, Legislative Budget Board
Lisa R. Collier, CPA, State Auditor

RE: Annual Financial Report Year End August 31, 2025

We are pleased to submit the Annual Financial Report of the Texas Education Agency for the year ending August 31, 2025, in compliance with Texas Government Code Annotated, Section 2101.011 and in accordance with the requirements established by the Comptroller of Public Accounts.

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

If you have any questions, please contact Carla Steffen, Deputy Commissioner of Finance, at (512) 463-9071.

Sincerely,



Mike Morath
Commissioner of Education

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TEXAS EDUCATION AGENCY

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Texas Education Agency (701)

Exhibit I

Combined Balance Sheet/Statement of Net Assets -
Governmental Funds

August 31, 2025

	Governmental Fund Types			Governmental Funds
	General (Exhibit A-1)	Special Revenue Fund 0002	Permanent Fund (Exhibit E-1)	Total FY2025
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Cash on Hand	\$ 140.00	\$ 0.00	\$ 0.00	\$ 140.00
Cash in Bank (Note 3)	23,997.80	0.00	0.00	23,997.80
Cash in State Treasury	1,453,927,042.71	10,114,397.26	0.00	1,464,041,439.97
Cash Equivalents	1,060,703.61	0.00	0.00	1,060,703.61
Securities Lending Collateral (Note 3)	0.00	0.00	0.00	0.00
Short-Term Investments	0.00	0.00	0.00	0.00
Legislative Appropriations	1,404,277,284.30	0.00	0.00	1,404,277,284.30
Receivables:				
Federal	1,372,423,906.74	0.00	0.00	1,372,423,906.74
Intergovernmental	585,199,561.00	0.00	0.00	585,199,561.00
Interest and Dividends	2,785,989.92	957,463.13	0.00	3,743,453.05
Accounts	57,293.12	0.00	0.00	57,293.12
Other	0.00	0.00	0.00	0.00
Taxes	0.00	89,183,463.46	0.00	89,183,463.46
Investment Trade Receivable	3,933,201.18	0.00	0.00	3,933,201.18
Interfund Receivables (Note 12)	4,579,233.64	0.00	0.00	4,579,233.64
Due From Other Funds (Note 12)	0.00	0.00	0.00	0.00
Due From Other Agencies (Note 12)	139,574,219.15	89,436,187.36	0.00	229,010,406.51
Consumable Inventories	30,380.91	0.00	0.00	30,380.91
Total Current Assets	\$ 4,967,872,954.08	\$ 189,691,511.21	\$ 0.00	\$ 5,157,564,465.29
Non-Current Assets:				
Receivables:				
Taxes	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Investments (Note 3)	150,039,589.18	0.00	0.00	150,039,589.18
Capital Assets (Note 2):				
Non-Depreciable or Non-Amortizable	0.00	0.00	0.00	0.00
Depreciable or Amortizable, Net	0.00	0.00	0.00	0.00
Right to Use Assets - Amortizable, Net	0.00	0.00	0.00	0.00
Total Non-Current Assets	\$ 150,039,589.18	\$ 0.00	\$ 0.00	\$ 150,039,589.18
Total Assets	\$ 5,117,912,543.26	\$ 189,691,511.21	\$ 0.00	\$ 5,307,604,054.47
DEFERRED OUTFLOWS				
Deferred Outflow of Revenues	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Total Deferred Outflows	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

Texas Education Agency (701)

Exhibit I

Combined Balance Sheet/Statement of Net Assets -
Governmental Funds

August 31, 2025

August 01, 2025

	Statewide Adjustments			Statement of Net
	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Other Adjustments	Position FY2025
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Cash on Hand	\$ 0.00	\$ 0.00	\$ 0.00	\$ 140.00
Cash in Bank (Note 3)	0.00	0.00	0.00	23,997.80
Cash in State Treasury	0.00	0.00	0.00	1,464,041,439.97
Cash Equivalents	0.00	0.00	0.00	1,060,703.61
Securities Lending Collateral (Note 3)	0.00	0.00	0.00	0.00
Short-Term Investments	0.00	0.00	0.00	0.00
Legislative Appropriations	0.00	0.00	0.00	1,404,277,284.30
Receivables:				
Federal	0.00	0.00	0.00	1,372,423,906.74
Intergovernmental	0.00	0.00	0.00	585,199,561.00
Interest and Dividends	0.00	0.00	0.00	3,743,453.05
Accounts	0.00	0.00	0.00	57,293.12
Other	0.00	0.00	0.00	0.00
Taxes	0.00	0.00	0.00	89,183,463.46
Investment Trade Receivable	0.00	0.00	0.00	3,933,201.18
Interfund Receivables (Note 12)	0.00	0.00	0.00	4,579,233.64
Due From Other Funds (Note 12)	0.00	0.00	0.00	0.00
Due From Other Agencies (Note 12)	0.00	0.00	0.00	229,010,406.51
Consumable Inventories	0.00	0.00	0.00	30,380.91
Total Current Assets	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 5,157,564,465.29</u>
Non-Current Assets:				
Receivables:				
Taxes	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Investments (Note 3)	0.00	0.00	0.00	150,039,589.18
Capital Assets (Note 2):				
Non-Depreciable or Non-Amortizable	40,000.00	0.00	0.00	40,000.00
Depreciable or Amortizable, Net	1,224,908.96	0.00	0.00	1,224,908.96
Right to Use Assets - Amortizable, Net	11,829.21	0.00	0.00	11,829.21
Total Non-Current Assets	<u>\$ 1,276,738.17</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 151,316,327.35</u>
Total Assets	<u><u>\$ 1,276,738.17</u></u>	<u><u>\$ 0.00</u></u>	<u><u>\$ 0.00</u></u>	<u><u>\$ 5,308,880,792.64</u></u>
DEFERRED OUTFLOWS				
Deferred Outflow of Revenues	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Total Deferred Outflows	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

Texas Education Agency (701)

Exhibit I

Combined Balance Sheet/Statement of Net Assets -
Governmental Funds

August 31, 2025

	Governmental Fund Types			Governmental Funds
	General (Exhibit A-1)	Special Revenue Fund 0002	Permanent Fund (Exhibit E-1)	Total FY2025
LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Payables:				
Accounts	\$ 1,748,295,369.29	\$ 0.00	\$ 0.00	\$ 1,748,295,369.29
Other Intergovernmental	1,376,060,632.00	0.00	0.00	1,376,060,632.00
Payroll	13,119,555.78	0.00	0.00	13,119,555.78
Other	0.00	0.00	0.00	0.00
Investment Trade Payable	5,378,670.20	0.00	0.00	5,378,670.20
Interfund Payables (Note 12)	4,579,233.64	0.00	0.00	4,579,233.64
Due to Other Funds (Note 12)	0.00	0.00	0.00	0.00
Due to Other Agencies (Note 12)	5,468,807.35	0.00	0.00	5,468,807.35
Unearned Revenues	3,718,103.97	0.00	0.00	3,718,103.97
Employee Compensable Leave (Note 5)	0.00	0.00	0.00	0.00
Obligations / Securities Lending	0.00	0.00	0.00	0.00
Right to Use Lease Obligations (Note 5, 8)	0.00	0.00	0.00	0.00
Total Current Liabilities	\$ 3,156,620,372.23	\$ 0.00	\$ 0.00	\$ 3,156,620,372.23
Non-Current Liabilities:				
Employee Compensable Leave (Note 5)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Right to Use Lease Ogligations (Note 5, 8)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Total Non-Current Liabilities	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Total Liabilities	\$ 3,156,620,372.23	\$ 0.00	\$ 0.00	\$ 3,156,620,372.23
DEFERRED INFLOWS				
Deferred Inflow of Resources	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Total Deferred Inflows	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Fund Financial Statement				
Fund Balances (Deficits):				
Nonspendable	\$ 30,380.91	\$ 0.00	\$ 0.00	\$ 30,380.91
Restricted	400,196,323.52	189,691,511.21	0.00	589,887,834.73
Committed	466,966,230.14	0.00	0.00	466,966,230.14
Assigned	0.00	0.00	0.00	0.00
Unassigned	1,094,099,236.46	0.00	0.00	1,094,099,236.46
Total Fund Balances	\$ 1,961,292,171.03	\$ 189,691,511.21	\$ 0.00	\$ 2,150,983,682.24
Total Liabilities, Deferred Inflows and Fund Balances	\$ 5,117,912,543.26	\$ 189,691,511.21	\$ 0.00	\$ 5,307,604,054.47
Government-wide Statement - Net Position				
Net Position:				
Invested in Capital Assets, Net of Related Debt				
Restricted				
Expendable				
Unrestricted				
Total Net Position				

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

Texas Education Agency (701)

Exhibit I

Combined Balance Sheet/Statement of Net Assets -
Governmental Funds

August 31, 2025

	Statewide Adjustments			Statement of Net Position FY2025
	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Other Adjustments	
LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Payables:				
Accounts	\$ 0.00	\$ 0.00	\$ 0.00	\$ 1,748,295,369.29
Other Intergovernmental	0.00	0.00	0.00	1,376,060,632.00
Payroll	0.00	0.00	0.00	13,119,555.78
Other	0.00	1.14	0.00	1.14
Investment Trade Payable	0.00	0.00	0.00	5,378,670.20
Interfund Payables (Note 12)	0.00	0.00	0.00	4,579,233.64
Due to Other Funds (Note 12)	0.00	0.00	0.00	0.00
Due to Other Agencies (Note 12)	0.00	0.00	0.00	5,468,807.35
Unearned Revenues	0.00	0.00	0.00	3,718,103.97
Employee Compensable Leave (Note 5)	0.00	7,475,479.84	0.00	7,475,479.84
Obligations / Securities Lending	0.00	0.00	0.00	0.00
Right to Use Lease Obligations (Note 5, 8)	0.00	327,484.56	0.00	327,484.56
Total Current Liabilities	\$ 0.00	\$ 7,802,965.54	\$ 0.00	\$ 3,164,423,337.77
Non-Current Liabilities:				
Employee Compensable Leave (Note 5)	\$ 0.00	\$ 5,176,879.67	\$ 0.00	\$ 5,176,879.67
Right to Use Lease Obligations (Note 5, 8)	\$ 0.00	\$ (315,573.62)	\$ 0.00	\$ (315,573.62)
Total Non-Current Liabilities	\$ 0.00	\$ 4,861,306.05	\$ 0.00	\$ 4,861,306.05
Total Liabilities	\$ 0.00	\$ 12,664,271.59	\$ 0.00	\$ 3,169,284,643.82
DEFERRED INFLOWS				
Deferred Inflow of Resources	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Total Deferred Inflows	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Fund Financial Statement				
Fund Balances (Deficits):				
Nonspendable				\$ 30,380.91
Restricted				589,887,834.73
Committed				466,966,230.14
Assigned				0.00
Unassigned				1,094,099,236.46
Total Fund Balances				\$ 2,150,983,682.24
Total Liabilities, Deferred Inflows and Fund Balances				
Government-wide Statement - Net Position				
Net Position:				
Invested in Capital Assets, Net of Related Debt	\$ 1,276,738.17	\$ 0.00	\$ 0.00	\$ 1,276,738.17
Restricted				
Expendable	0.00	0.00	0.00	0.00
Unrestricted	0.00	(12,664,271.59)	0.00	(12,664,271.59)
Total Net Position	\$ 1,276,738.17	\$ (12,664,271.59)	\$ 0.00	\$ 2,139,596,148.82

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

Texas Education Agency (701)

Exhibit II

**Combined Statement of Revenues, Expenditures, and Changes
in Fund Balance/Statement of Activities - Governmental Funds**

For the fiscal year ended August 31, 2025

	Governmental Fund Types			Governmental Funds
	General (Exhibit A-2)	Special Revenue Fund 0002	Permanent Fund (Exhibit E-2)	Total FY2025
REVENUES				
Legislative Appropriations:				
Original Appropriations	\$ 719,611,865.00	\$ 0.00	\$ 0.00	\$ 719,611,865.00
Additional Appropriations	27,788,140.83	0.00	0.00	27,788,140.83
Backout N/A Revenue	0.00	0.00	0.00	0.00
Taxes	0.00	964,003,309.51	0.00	964,003,309.51
Federal Revenue (Sch. 1A)	7,095,968,960.81	0.00	0.00	7,095,968,960.81
Federal Grant Pass-Through Revenue (Sch. 1A)	21,763,040.61	0.00	0.00	21,763,040.61
State Grant Pass-Through Revenue (Sch. 1B)	0.00	0.00	0.00	0.00
Licenses, Fees and Permits	31,088,592.74	0.00	0.00	31,088,592.74
Interest and Other Investment Income	39,381,583.75	9,084,411.10	0.00	48,465,994.85
Net Increase (Decrease) in Fair Value	1,892,242.83	0.00	0.00	1,892,242.83
Settlement of Claims	0.00	0.00	0.00	0.00
Sales of Goods and Services	322,891.80	0.00	0.00	322,891.80
Other	2,892,377,253.77	51,844.00	84.47	2,892,429,182.24
Total Revenues	\$ 10,830,194,572.14	\$ 973,139,564.61	\$ 84.47	\$ 11,803,334,221.22
EXPENDITURES				
Salaries and Wages	\$ 125,637,925.45	\$ 0.00	\$ 0.00	\$ 125,637,925.45
Payroll Related Costs	34,962,608.62	0.00	0.00	34,962,608.62
Professional Fees and Services	275,435,227.93	0.00	0.00	275,435,227.93
Travel	2,641,858.40	0.00	0.00	2,641,858.40
Materials and Supplies	18,207,985.10	0.00	0.00	18,207,985.10
Communication and Utilities	2,016,163.76	0.00	0.00	2,016,163.76
Repairs and Maintenance	2,626,102.82	0.00	0.00	2,626,102.82
Rentals and Leases	412,174.85	0.00	0.00	412,174.85
Printing and Reproduction	137,400.65	0.00	0.00	137,400.65
Claims and Judgements	70,000.00	0.00	0.00	70,000.00
Federal Grant Pass Through Expenditures (Sch. 1A)	78,750,325.58	0.00	0.00	78,750,325.58
State Grant Pass Through Expenditures (Sch. 1B)	168,051,079.90	3,505,905.00	0.00	171,556,984.90
Intergovernmental Payments	35,797,629,727.29	3,106,373,433.00	0.00	38,904,003,160.29
Public Assistance Payments	105,377,181.26	0.00	0.00	105,377,181.26
Other Expenditures	13,361,069.22	0.00	0.00	13,361,069.22
Debt Service:	0.00	0.00	0.00	0.00
Principal	47,539.87	0.00	0.00	47,539.87
Interest (1)	0.00	0.00	0.00	0.00
Capital Outlay	368,234.84	0.00	0.00	368,234.84
Depreciation and Amortization Expense	0.00	0.00	0.00	0.00
Total Expenditures / Expenses	\$ 36,625,732,605.54	\$ 3,109,879,338.00	\$ 0.00	\$ 39,735,611,943.54
Excess (Deficit) of Revenues Over (Under) Expenditures	\$ (25,795,538,033.40)	\$ (2,136,739,773.39)	\$ 84.47	\$ (27,932,277,722.32)
OTHER FINANCING SOURCES (USES):				
Increase in Obligations - Leases	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Sale of Capital Assets	6,093.72	0.00	0.00	6,093.72
Transfers In (Note 12)	25,402,927,355.45	2,156,354,136.90	25,577.76	27,559,307,070.11
Transfers Out (Note 12)	(125,285,694.60)	(13,720,469.00)	(25,662.23)	(139,031,825.83)
Insurance and Damages	0.00	0.00	0.00	0.00
Legislative Transfers In (Note 12)	262,960.69	0.00	0.00	262,960.69
Legislative Transfers Out (Note 12)	0.00	0.00	0.00	0.00
Capital Asset Donations	0.00	0.00	0.00	0.00
Gain (Loss) on Sale of Capital Assets	0.00	0.00	0.00	0.00
Total Other Financing Sources (Uses)	\$ 25,277,910,715.26	\$ 2,142,633,667.90	\$ (84.47)	\$ 27,420,544,298.69
Net Change in Fund Balances / Net Assets	\$ (517,627,318.14)	\$ 5,893,894.51	\$ 0.00	\$ (511,733,423.63)
Fund Financial Statement - Fund Balances				
Fund Balance - September 1,	\$ 2,546,150,785.45	\$ 183,797,616.70	\$ 0.00	\$ 2,729,948,402.15
Restatements (Note 14)	0.00	0.00	0.00	0.00
Fund Balance, September 1, , as Restated	\$ 2,546,150,785.45	\$ 183,797,616.70	\$ 0.00	\$ 2,729,948,402.15
Appropriations Lapsed	\$ (67,231,296.28)	\$ 0.00	\$ 0.00	\$ (67,231,296.28)
Fund Balances - August 31, 2025	\$ 1,961,292,171.03	\$ 189,691,511.21	\$ 0.00	\$ 2,150,983,682.24
Government-wide Statement - Net Position				
Change in Net Position				\$ 2,150,983,682.24
Net Position - September 1,				
Restatements (Note 14)				
Net Position, September 1, , as Restated				
Net Position - August 31, 2025				\$ 2,150,983,682.24

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

Texas Education Agency (701)

Exhibit II

**Combined Statement of Revenues, Expenditures, and Changes
in Fund Balance/Statement of Activities - Governmental Funds**

For the fiscal year ended August 31, 2025

	Statewide Adjustments			
	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Other Adjustments	Statement of Activities FY2025
REVENUES				
Legislative Appropriations:				
Original Appropriations	\$ 0.00	\$ 0.00	\$ 0.00	\$ 719,611,865.00
Additional Appropriations	0.00	0.00	0.00	27,788,140.83
Backout N/A Revenue	0.00	0.00	0.00	0.00
Taxes	0.00	0.00	0.00	964,003,309.51
Federal Revenue (Sch. 1A)	0.00	0.00	0.00	7,095,968,960.81
Federal Grant Pass-Through Revenue (Sch. 1A)	0.00	0.00	0.00	21,763,040.61
State Grant Pass-Through Revenue (Sch. 1B)	0.00	0.00	0.00	0.00
Licenses, Fees and Permits	0.00	0.00	0.00	31,088,592.74
Interest and Other Investment Income	0.00	0.00	0.00	48,465,994.85
Net Increase (Decrease) in Fair Value	0.00	0.00	0.00	1,892,242.83
Settlement of Claims	0.00	0.00	0.00	0.00
Sales of Goods and Services	0.00	0.00	0.00	322,891.80
Other	0.00	0.00	0.00	2,892,429,182.24
Total Revenues	\$ 0.00	\$ 0.00	\$ 0.00	\$ 11,803,334,221.22
EXPENDITURES				
Salaries and Wages	\$ 0.00	\$ 439,679.55	\$ 0.00	\$ 126,077,605.00
Payroll Related Costs	0.00	0.00	0.00	34,962,608.62
Professional Fees and Services	0.00	0.00	0.00	275,435,227.93
Travel	0.00	0.00	0.00	2,641,858.40
Materials and Supplies	0.00	0.00	0.00	18,207,985.10
Communication and Utilities	0.00	0.00	0.00	2,016,163.76
Repairs and Maintenance	0.00	0.00	0.00	2,626,102.82
Rentals and Leases	0.00	0.00	0.00	412,174.85
Printing and Reproduction	0.00	0.00	0.00	137,400.65
Claims and Judgements	0.00	0.00	0.00	70,000.00
Federal Grant Pass Through Expenditures (Sch. 1A)	0.00	0.00	0.00	78,750,325.58
State Grant Pass Through Expenditures (Sch. 1B)	0.00	0.00	0.00	171,556,984.90
Intergovernmental Payments	0.00	0.00	0.00	38,904,003,160.29
Public Assistance Payments	0.00	0.00	0.00	105,377,181.26
Other Expenditures	0.00	(4.57)	0.00	13,361,064.65
Debt Service:	0.00	0.00	0.00	
Principal	0.00	(47,539.87)	0.00	0.00
Interest (1)	0.00	0.00	0.00	
Capital Outlay	(368,234.84)	0.00	0.00	(0.00)
Depreciation and Amortization Expense	326,020.48	0.00	0.00	326,020.48
Total Expenditures / Expenses	\$ (42,214.36)	\$ 392,135.11	\$ 0.00	\$ 39,735,961,864.29
Excess (Deficit) of Revenues Over (Under) Expenditures	\$ 42,214.36	\$ (392,135.11)	\$ 0.00	\$ (27,932,627,643.07)
OTHER FINANCING SOURCES (USES):				
Increase in Obligations - Leases	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Sale of Capital Assets	(6,093.72)	0.00	0.00	0.00
Transfers In (Note 12)	0.00	0.00	0.00	27,559,307,070.11
Transfers Out (Note 12)	(731.28)	0.00	0.00	(139,032,557.11)
Insurance and Damages	0.00	0.00	0.00	0.00
Legislative Transfers In (Note 12)	0.00	0.00	0.00	262,960.69
Legislative Transfers Out (Note 12)	0.00	0.00	0.00	0.00
Capital Asset Donations	0.00	0.00	0.00	0.00
Gain (Loss) on Sale of Capital Assets	6,825.00	0.00	0.00	6,825.00
Total Other Financing Sources (Uses)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 27,420,544,298.69
Net Change in Fund Balances / Net Assets	\$ 42,214.36	\$ (392,135.11)	\$ 0.00	\$ (512,083,344.38)
Fund Financial Statement - Fund Balances				
Fund Balance - September 1,				\$ 2,729,948,402.15
Restatements (Note 14)				0.00
Fund Balance, September 1, , as Restated				<u>\$ 2,729,948,402.15</u>
Appropriations Lapsed				\$ (67,231,296.28)
Fund Balances - August 31, 2025				<u><u>\$ 2,150,633,761.49</u></u>
Government-wide Statement - Net Position				
Change in Net Position	\$ 42,214.36	\$ (392,135.11)	\$ 0.00	\$ 2,150,633,761.49
Net Position - September 1,	1,234,523.81	(12,272,136.48)	0.00	(11,037,612.67)
Restatements (Note 14)	0.00			0.00
Net Position, September 1, , as Restated	<u>\$ 1,234,523.81</u>	<u>\$ (12,272,136.48)</u>	<u>\$ 0.00</u>	<u>\$ (11,037,612.67)</u>
Net Position - August 31, 2025	<u><u>\$ 1,276,738.17</u></u>	<u><u>\$ (12,664,271.59)</u></u>	<u><u>\$ 0.00</u></u>	<u><u>\$ 2,139,596,148.82</u></u>

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

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NOTES TO THE FINANCIAL STATEMENTS

Note 1 Summary of Significant Accounting Policies

Entity - The Texas Education Agency is an agency of the State of Texas and its financial records comply with state statutes and regulations. This includes compliance with the Texas Comptroller of Public Accounts' *Reporting Requirements for Annual Financial Reports of State Agencies*.

The Texas Education Agency (TEA or Agency) consists of the Commissioner of Education and agency staff. The Agency is statutorily charged with administering and monitoring compliance with education programs required by federal or state law and with funding public primary and secondary education in Texas.

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

The Agency does not have any blended or discretely presented component units.

In response to the COVID-19 pandemic, Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The act provides economic grants to offset some of the additional expenses and forgone revenue because of COVID-19. Through the CARES Act, the Texas Education Agency received funding from the Coronavirus Relief Fund as well as the Elementary and Secondary School Relief Fund to support local educational agencies in offsetting expenditures associated with the pandemic.

Fund Structure - The accompanying financial statements of the Texas Education Agency are presented on the basis of funds, each of which is considered a separate accounting entity.

Governmental Fund Types & Government-wide Adjustment Fund Types

General Fund - The General Fund is the principal operating fund used to account for most of the state's general activities. It accounts for all financial resources except those required to be accounted for in another fund.

The Charter District Bond Guarantee Reserve Fund is one component of the general fund and was created pursuant to Texas Education Code Chapter 45, section 45.0571 as a special fund to hold and invest contributions required from charter districts who participate in the Bond Guarantee Program, to be used to pay bond principal and interest costs in the event of a participating charter district default. This statute authorizes the State Board of Education (SBOE or Board) to manage the Charter Reserve Fund in the same manner that the Permanent School Fund is managed by the Board, in accordance with the persons of ordinary prudence investment standard described by Government Code Chapter 404, Section 404.024(j). The financial activities of the Charter District Bond Guarantee Reserve Fund are captured and reported in fund 0053.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than for private-purpose trusts or for major capital projects) that are legally restricted to use for specified purposes. The Available School Fund (fund 0002) derives a significant portion of its financing from legally dedicated motor fuel tax revenue. It is restricted to providing funding for schools and funding for the State Instructional Materials Fund (fund 0003).

Permanent Funds – Permanent funds are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the programs of the State of Texas. In 2021 Senate Bill 1232 (SB 1232), passed into law by the legislature during 87th Texas Legislature, Regular Session, permitted formation of the Texas Permanent School Fund Corporation (Texas PSF) which was incorporated on December 1, 2021. On September 1, 2022, Texas PSF started business operations as a separate, special purpose investment corporation. For fiscal year 2025, TEA had a small amount of financial activity in fund 0044 related to prior year appropriations.

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State-wide Adjustment Fund Types – The Capital Asset Adjustment Fund Type, Long-Term Liabilities Adjustment Fund Type, and Other Adjustments Fund Type are used to convert governmental fund types' capital assets, debt, and other fund type activity from modified accrual to full accrual basis.

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

Governmental fund types that build the fund financial statements are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized in the period in which they become both measurable and available to finance operations of the fiscal year or liquidate liabilities existing at fiscal year-end. The State of Texas considers receivables collected within sixty days after year end to be available and recognizes them as revenues of the current year for fund financial statements prepared on the modified accrual basis. Amounts are considered measurable if they can be estimated or otherwise determined. Expenditures and other uses of financial resources are recognized when the related liability is incurred.

Governmental adjustment fund types that will build the Government-wide Financial Statements are accounted for using the full accrual basis of accounting. This includes capital assets, accumulated depreciation, unpaid employee compensable leave, the unmatured debt service (principal and interest) on general long-term liabilities, long-term capital leases, long-term claims and judgments, and full accrual revenues and expenses. The activity will be recognized in these fund types.

The Permanent School Fund and the Charter District Bond Guarantee Reserve Fund have implemented Governmental Accounting Standards Board Statement No. 40, *Deposit and Investment Risk Disclosures, an amendment to GASB Statement No. 3*. This Statement addresses common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk.

The Permanent School Fund is classified as a governmental permanent fund while the Charter District Bond Guarantee Reserve Fund is classified as a governmental general fund. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. The Permanent School Fund and the Charter District Bond Guarantee Reserve Fund do not present a Statement of Cash Flows because governmental funds are not required to present this statement. Measurement focus refers to the definition of the resource flows measured, and has to do with the types of transactions or events reported in the statement of revenues, expenditures, and changes in fund balance. Basis of accounting refers to the timing of the recognition of transactions or events.

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

Assets, Liabilities, and Fund Equity

ASSETS

Cash and Cash Equivalents

The money market account held at the Permanent School Fund's Custodian, The Bank of New York Mellon (Custodian), is integral to the Permanent School Fund's cash management activities rather than investment activities. The Permanent School Fund Corporation invests cash deposited into fund 0053 for TEA.

Investments

Investments are reported at fair value in accordance with Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application*. Fair value is determined on the basis of market valuations provided by the Custodian. Short-term securities, which have maturities less than one year at the time of purchase, are valued at amortized cost, which approximates fair value.

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Inventories

Inventories are valued at cost, generally utilizing the last-in, first-out method. The consumption method of accounting is used to account for inventories that appear in the governmental fund type. The cost of these items is expensed when the items are consumed.

Capital Assets

Furniture, equipment, and vehicles placed into service in fiscal year 2024 or earlier, with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year should be capitalized. The threshold for assets in this category placed into service in or after fiscal year 2025 is \$10,000. The capitalization threshold for intangible capital assets is \$1 million for internally generated computer software and \$100,000 for purchased software and intellectual rights. These assets are capitalized at cost or, if not purchased, at appraised fair value as of the date of acquisition. Purchase of assets by government funds are reported as expenditures. Depreciation is reported on all "exhaustible" assets. "Inexhaustible" assets such as works of art and historical treasures are not depreciated. Donated assets are reported at fair value on the acquisition date. Assets are depreciated over the estimated useful life of the asset using the straight-line method.

LIABILITIESAccounts Payable

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

Other Intergovernmental Payables

Other Intergovernmental Payables represents the amounts owed to school districts in Texas.

Employees' Compensable Leave

Employees' Compensable Leave represents the liability that becomes "due" upon the occurrence of relevant events such as resignations, retirements, and uses of leave balances by covered employees. Liabilities are reported separately as either current or non-current in the statement of net assets.

Capital Lease Obligations

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

FUND BALANCE/NET POSITION

The difference between fund assets and liabilities is 'Net Position' on the government-wide statements and the 'Fund Balance' is the difference between fund assets and liabilities on the governmental fund statements.

Fund Balance Components

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* requires that governmental fund balances be classified in the fund financial statements as nonspendable, restricted, committed, assigned and unassigned.

- Nonspendable fund balance includes amounts not available to be spent because they are either (1) not in spendable form, such as consumable inventories, or (2) legally or contractually required to be maintained intact.
- Restricted fund balance includes those resources that have constraints placed on their use through external parties or by law through constitutional provisions.
- Committed fund balance can be used only for specific purposes pursuant to constraints imposed by a formal action of the Texas Legislature, the state's highest level of decision making authority.
- Assigned fund balance includes amounts constrained by the state's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (1) the Texas Legislature or (2) a body (for example a budget or finance committee) or official to which the governing body has delegated the authority to assign amount to be used for specific purposes.

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- Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that was not assigned to other funds and was not restricted, committed or assigned to specific purposes within the general fund. Negative fund balances of other fund types are also classified as 'Unassigned'.

Invested in Capital Assets, Net of Related Debt

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

Restricted Net Assets

Restricted net assets result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Assets

Unrestricted net assets consist of net assets which do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources, which are imposed by management, but can be removed or modified.

Interfund Activity and Transactions

The Agency has the following types of transactions between funds:

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

The composition of the Agency's interfund receivables and payables on August 31, 2025, are presented in Note 12.

Note 2 Capital Assets

A summary of changes in Capital Assets and Intangible Right to Use for the year ended August 31, 2025, is presented on the following page.

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PRIMARY GOVERNMENT								
Reclassifications								
	Balance 9/1/24	Adjustments	Completed CIP	Inc-Int'agy Trans	Dec-Int'agy Trans	Additions	Deletions	Balance 8/31/25
GOVERNMENTAL ACTIVITIES								
Non-Depreciable Assets								
Construction in Progress								
Other Tangible Capital Assets	\$ 40,000.00							\$ 40,000.00
Total Non-Depreciable Assets	\$ 40,000.00	-	-	-	-	-	-	\$ 40,000.00
Depreciable Assets:								
Furniture and Equipment	\$ 2,342,292.54				\$ (11,484.00)	\$ 284,623.44	\$ (12,077.09)	\$ 2,603,354.89
Vehicles, Boats and Aircraft	\$ 1,106,777.51					\$ 83,611.40	\$ (32,154.00)	\$ 1,158,234.91
Total Depreciable Assets at Historical Cost	\$ 3,449,070.05	-	-	-	\$ (11,484.00)	\$ 368,234.84	\$ (44,231.09)	\$ 3,761,589.80
Less Accumulated Depreciation for:								
Furniture and Equipment	\$ (2,073,691.88)				\$ 11,484.00	\$ (109,899.31)	\$ 12,077.09	\$ (2,160,030.10)
Vehicles, Boats and Aircraft	\$ (267,501.52)					\$ (141,303.22)	\$ 32,154.00	\$ (376,650.74)
Total Accumulated Depreciation	\$ (2,341,193.40)	-	-	-	\$ 11,484.00	\$ (251,202.53)	\$ 44,231.09	\$ (2,536,680.84)
Depreciable Assets, Net	\$ 1,107,876.65	-	-	-	\$ -	\$ 117,032.31	\$ -	\$ 1,224,908.96
Intangible Capital Assets - Amortizable								
Computer Software	\$ 32,898,872.39							\$ 32,898,872.39
Other Intangible Capital Assets – Term	\$ 79,673,236.68							\$ 79,673,236.68
Total Intangible Assets at Historical Cost	\$ 112,572,109.07	-	-	-	-	-	-	\$ 112,572,109.07
Less Accumulated Amortization for:								
Computer Software	\$ (32,898,872.39)							\$ (32,898,872.39)
Other Intangible Capital Assets – Term	\$ (79,645,735.59)					\$ (27,501.09)		\$ (79,673,236.68)
Total Accumulated Amortization	\$ (112,544,607.98)	-	-	-	-	\$ (27,501.09)	\$ -	\$ (112,572,109.07)
Amortizable Assets, Net	\$ 27,501.09	-	-	-	-	\$ (27,501.09)	\$ -	\$ -
Governmental Activities Capital Assets, Net	\$ 1,175,377.74	-	-	-	-	\$ 89,531.22	\$ -	\$ 1,264,908.96
<i>In accordance with the implementation of GASB 87, leased assets are presented separately in Note 2</i>								
GOVERNMENTAL ACTIVITIES								
Right to Use Assets - Amortizable:								
Buildings and Building Improvements	\$ 201,096.65							\$ 201,096.65
Total Right to Use Assets at Historical Cost	\$ 201,096.65	-	-	-	-	\$ -	\$ -	\$ 201,096.65
Less Accumulated Amortization for:								
Buildings and Building Improvements	\$ (141,950.58)					\$ (47,316.86)		\$ (189,267.44)
Total Accumulated Amortization	\$ (141,950.58)	-	-	-	-	\$ (47,316.86)	\$ -	\$ (189,267.44)
Amortizable Right to Use Assets, Net	\$ 59,146.07	-	-	-	-	\$ (47,316.86)	\$ -	\$ 11,829.21
Governmental Activities Right to Use Assets, Net	\$ 59,146.07	-	-	-	-	\$ (47,316.86)	\$ -	\$ 11,829.21

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Note 3 Deposits, Investments, and Repurchase Agreements

Deposits and investments are exposed to risks that have the potential to result in losses. GASB Statement No. 40, *Deposit and Investment Risk Disclosures, an Amendment to GASB Statement No. 3*, establishes and modifies disclosure requirements related to deposit and investment risks. Deposit risks include custodial credit and foreign currency risk. Investment risks include credit risk (custodial credit risk and concentrations of credit risk), interest rate risk, and foreign currency risk. This statement applies to all state and local governments.

The Texas Constitution and applicable statutes delegate the Texas Permanent School Fund Corporation (Texas PSF) to manage and invest for the Charter District Bond Guarantee Reserve Fund (BGRF). The deposit policy states that all residual cash must be invested on a daily basis. Permissible investments include the following:

- a) Separately Managed Accounts.
- b) Funds of One.
- c) Commingled closed-end funds.
- d) Commingled open-end funds.
- e) Exchange Traded Funds.
- f) Direct Investments.

Restrictions prohibit investment vehicles that do not provide limited liability and that are prohibited by law.

Cash

The Cash in Bank represents the U.S. dollar equivalent of amounts held in foreign currencies for which trade settlement is pending, dividend payments that are cash invested overnight at Texas PSF's custodial bank. The total cash in bank available as of August 31, 2025, is as follows:

Cash in Bank	Bank Balance
Charter District Bond Guarantee Reserve Fund	\$ 23,997.80
Total Cash in Bank (Exh. I)	\$ 23,997.80

Investments

Security transactions are recorded on a trade date basis. Public market investments, except those held within the alternative investments, are registered in the nominee name of The Bank of New York, the Custodian of Texas PSF, at the Depository Trust Company. At the Custodian, the securities are held in the name of Texas PSF.

BGRF's assets recorded at fair value have been categorized based upon a fair value hierarchy in accordance with Governmental Accounting Standards Board Statement No. 72, Fair Value Measurement and Application (GASB 72).

GASB 72 defines "fair value" as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. Where available, fair value is based on observable market prices or parameters or derived from such prices or parameters. The availability of valuation techniques and observable inputs can vary from security to security and is affected by a wide variety of factors including the type of security, whether the security is new and not yet established in the marketplace, and other characteristics particular to the transaction.

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GASB 72 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). The three levels of the fair value hierarchy under GASB 72 are described below:

- Level 1 inputs – Unadjusted, quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities. An active market is defined as a market where transactions for the financial instrument occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 inputs – Inputs, other than quoted prices in active markets that are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the instrument's anticipated life.
- Level 3 Inputs – Prices or valuations that require inputs that are both significant to the fair measurement and unobservable. Valuation under Level 3 generally involves a significant degree of judgment from management. Due to the inherent uncertainty of these estimates, these values may differ significantly from the values that would have been used had a ready market for the investments existed.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Management's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and consideration of factors specific to the investment.

In accordance with GASB 72, valuation techniques used for assets and liabilities accounted for at fair value are generally categorized into three types:

1. Market approach valuation techniques use prices and other relevant information from market transactions involving identical or comparable assets or liabilities. Valuation techniques consistent with the market approach include comparable and matrix pricing. Comparables use market multiples, which might lie in ranges with a different multiple for each comparable. The selection of where within the range the appropriate multiple falls requires judgment, considering both quantitative and qualitative factors specific to the measurement. Matrix pricing is a mathematical technique used principally to value certain securities without relying exclusively on quoted prices for the specific securities, but rather comparing the securities to benchmark or comparable securities.
2. Income approach valuation techniques convert future amounts, such as cash flows or earnings, to a single present amount, or a discounted amount. These techniques rely on current market expectations of future amounts. Examples of income approach valuation techniques include present value techniques; option-pricing models, binomial or lattice models that incorporate present value techniques; and the multi-period excess earnings method.
3. Cost approach valuation techniques are based upon the amount that, at present, would be required to replace the service capacity of an asset, or the current replacement cost. That is, from the perspective of a market participant (seller), the price that would be received for the asset is determined based on the cost to market participant (buyer) to acquire or construct a substitute asset of comparable utility.

While all three approaches are not applicable to all assets or liabilities accounted for at fair value, where appropriate and possible, one or more valuation techniques may be used. The selection of the valuation method to apply considers the definition of an exit price and the nature of the asset being valued, and significant expertise and judgment is required. For assets accounted for at fair value, the valuation selected is generally the market or income approach. For the year ended August 31, 2025, the application of valuation techniques applied to similar assets and liabilities has been consistent.

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The following table presents information about BGRF's assets measured at fair value as of August 31, 2025:

Charter District Bond Guarantee Reserve Fund	Level 1	Level 2	Level 3	Total
CASH & CASH EQUIVALENTS	\$ 1,060,703.61			\$ 1,060,703.61
Corporate Asset and Mortgage Backed Securities		28,710,225.26		28,710,225.26
Corporate Obligations		45,080,650.87		45,080,650.87
Miscellaneous		337,013.93		337,013.93
U.S. Government Agency Obligations		25,243,417.62		25,243,417.62
U.S. Treasury Securities	50,668,281.50			50,668,281.50
Subtotal	\$ 51,728,985.11	\$ 99,371,307.68		\$ 151,100,292.79

Custodial Credit Risk for Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the deposits may not be recovered. Except for the requirement to invest cash daily, the State Constitution, applicable statutes, and Texas PSF's investment policies do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits. Texas PSF deposits in the bank, which are subject to custodial credit risk, are uninsured and uncollateralized.

Credit Risk for Debt Investments

Credit risk is the risk that an issuer or other counterparty of an investment will not fulfill its obligation to pay interest and repay principal.

The rated debt investments of BGRF as of August 31, 2025 are as indicated in the table below. The Standard and Poor's rating scale was used to rate the securities. For issues where the rating services differ, the lower rating is disclosed. For purposes of this disclosure, ratings have been aggregated to the base alpha rating.

The credit ratings of investments held in the BGRF as of August 31, 2025 are indicated in the table below.

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Investment Type	Rating	Rating Service	Fair Value
Corporate Asset and Mortgage Backed Securities	AAA	SP Rating	\$ 12,157,719.08
Corporate Asset and Mortgage Backed Securities	AAA	Fitch Rating	6,074,715.45
Corporate Asset and Mortgage Backed Securities	AAA	Moody's Rating	1,786,568.16
Corporate Asset and Mortgage Backed Securities	AA	SP Rating	2,978,220.09
Corporate Asset and Mortgage Backed Securities	AA	Fitch Rating	1,252,339.62
Corporate Asset and Mortgage Backed Securities	AA	Moody's Rating	592,300.92
Corporate Asset and Mortgage Backed Securities	A	SP Rating	2,012,203.24
Corporate Asset and Mortgage Backed Securities	A	Fitch Rating	1,856,158.70
Corporate Obligations	AAA	SP Rating	525,255.90
Corporate Obligations	AAA	Moody's Rating	556,530.64
Corporate Obligations	AA	SP Rating	831,851.83
Corporate Obligations	AA	Moody's Rating	358,904.22
Corporate Obligations	A	SP Rating	16,026,297.30
Corporate Obligations	A	Fitch Rating	815,152.40
Corporate Obligations	A	Moody's Rating	1,961,675.04
Corporate Obligations	BBB	SP Rating	17,387,325.98
Corporate Obligations	BBB	Fitch Rating	1,936,049.37
Corporate Obligations	BBB	Moody's Rating	4,248,541.49
Corporate Obligations	BB	Moody's Rating	433,066.70
Miscellaneous	A	SP Rating	337,013.93
U.S. Government Agency Obligations	AA	SP Rating	25,243,417.62
U.S. Treasury Securities	AA	SP Rating	50,668,281.50
Total Charter District Reserve Fund			\$ 150,039,589.18

Interest Rate Risk for Debt Investments

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of the investment. Duration is a measure of the price sensitivity of a debt investment to changes arising from movements in interest rates.

The interest rate risk of investments held within the BGRF as of August 31, 2025, are as follows:

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Investment Type	Fair Value	Effective Weighted Duration (Years)
Corporate Asset and Mortgage Backed Securities	\$ 28,710,225.26	3.066
Corporate Obligations	45,080,650.87	3.760
Miscellaneous	337,013.93	2.621
U.S. Government Agency Obligations	25,243,417.62	3.779
U.S. Treasury Securities	50,668,281.50	4.057
Investment Totals	\$ 150,039,589.18	3.728

Concentration of Credit Risk

Concentration of credit risk is the risk of loss due to the magnitude of the investment in a single issuer. The investment guidelines for the BGRF permit the entire Fund to be invested with a single manager.

As of August 31, 2025, the concentration of credit risk of investments held within the BGRF (Fund Type 01) greater than 5% of the total BGRF is listed in the table below.

Issuer	Carry Value	% of Manager's Total Portfolio
Fannie Mae Pool	\$ 12,930,670.39	8.56%
United States Treasury Note/Bond	\$ 50,668,281.50	33.53%

Note 4 Short-Term Debt

Not applicable.

Note 5 Long-Term Liabilities

The following changes occurred in liabilities during the fiscal year ended Aug. 31, 2025:

Governmental Activities	Balance 9/1/2024	Additions	Reductions	Restatement/ Adjustment**	Balance 8/31/2025	Amounts Due Within One Year	Amounts Due Thereafter
Claims and Judgements	\$0.00	\$ 70,000.00	\$ 70,000.00	\$0.00	\$0.00	\$0.00	\$0.00
Right to Use Lease Obligations	59,450.81	0.00	47,539.87	0.00	11,910.94	11,910.94	0.00
Employees' Compensable Leave	12,212,679.96	9,229,062.34	8,789,382.79	0.00	12,652,359.51	7,475,479.84	5,176,879.67
Sick Leave	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Governmental Activities	\$ 12,272,130.77	\$ 9,299,062.34	\$ 8,906,922.66	\$ -	\$ 12,664,270.45	\$ 7,487,390.78	\$ 5,176,879.67

Right to Use Lease Obligations

GASB Statement No. 87, Leases, was implemented in fiscal year 2022. It states that a lessee should recognize a lease liability and a lease asset at the commencement of the lease term, unless the lease is a short-term lease or it transfers ownership of the underlying asset. The lease liability should be measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease asset should be measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs.

A lessee should reduce the lease liability as payments are made and recognize an outflow of resources (for example, expense) for interest on the liability. The lessee should amortize the lease asset in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. The notes to financial

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statements should include a description of leasing arrangements, the amount of lease assets recognized, and a schedule of future lease payments to be made.

Employees' Compensable Leave

A state employee is entitled to be paid for all unused vacation time accrued, in the event of the employee's resignation, dismissal, or separation from State employment, provided the employee has had continuous employment with the State for six months.

Expenditures for accumulated annual leave balances are recognized in the period paid or taken in governmental fund types. For these fund types, the liability for unpaid benefits is recorded in the Statement of Net Assets.

Employees' Sick Leave

Employees accrue sick leave from the first day of employment through the last day of duty (the last day the employee actually worked). A full-time employee accrues eight hours of sick leave on the first day of each month worked. There is no limitation on the amount to be carried forward into the next fiscal year. Once state employment is terminated, the employee is not entitled to payment for any sick leave accrued.

GASB 101 requires agencies to accrue for sick leave that has accumulated and is likely to be used, even though the employee will never be eligible for a termination payment related to unused sick leave. For financial accounting and reporting purposes, sick leave taken first comes out of hours earned in the current fiscal year, using the Last-In First-Out (LIFO) flows assumption, with calculations made at fiscal year-end.

Note 6 Bonded Indebtedness

Not applicable.

Note 7 Derivative Instruments

Not applicable.

Note 8 Leases**Lease Liability**

Included in the expenditures reported in the financial statements are the following amounts of rent paid or due under lease liability:

<u>Fund Type</u>	<u>Amount</u>
General Fund	\$ 52,908.30
Total	<u>\$ 52,908.30</u>

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Future Lease Payments**Year Ended August 31, 2025**

Year	Primary Government		
	Governmental Activities		
	Principal	Interest	Total Future Min. Lease Payments
2026	\$ 11,910.94	\$ 7.01	\$ 11,917.95
2027	0.00	0.00	0.00
Totals	\$ 11,910.94	\$ 7.01	\$ 11,917.95

Note 9 Retirement Plans

Not applicable.

Note 10 Deferred Compensation

Not applicable.

Note 11 Post Employment Health Care and Life Insurance Benefits

Not applicable.

Note 12 Interfund Activity and Transactions

As explained in Note 1 on Interfund Activity and Transactions, numerous transactions are recorded between funds and agencies. At year end amounts to be received or paid are reported as:

- Interfund Receivables or Interfund Payables
- Due From Other Agencies or Due To Other Agencies
- Due From Other Funds or Due To Other Funds
- Transfers In or Transfers Out
- Legislative Transfers In or Legislative Transfers Out

The Agency experienced routine transfers with other state agencies, which were consistent with the activities of the fund making the transfer. Repayment of interfund balances will occur within one year from the date of the financial statement.

Individual fund balances and activity on August 31, 2025, which tie to Exhibits I and II, are as follows:

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DUE FROM/TO OTHER FUNDS:			
	Due From Other Funds	Due to Other Funds	Purpose
GENERAL REVENUE (01)			
Appd. Fund 0001, D23 0001		\$3,241,894.34	Reimbursement between funds
Appd. Fund 0001, D23 0900		1,332,298.66	Reimbursement between funds
Appd. Fund 0001, D23 9000	\$3,246,934.98		Reimbursement between funds
Totals for Fund 0001	\$3,246,934.98	\$4,574,193.00	
Appd. Fund 0148, D23 0148		\$5,040.64	Reimbursement between funds
Totals for Fund 0148		\$5,040.64	
Appd. Fund 0193, D23 0193	\$676.93		Reimbursement between funds
Totals for Fund 0193	\$676.93		
Appd. Fund 0326, D23 0326	\$1,331,621.73		Reimbursement between funds
Totals for Fund 0326	\$1,331,621.73		
Total Due From/To Other Funds (Exh I)	\$4,579,233.64	\$4,579,233.64	

DUE FROM/TO OTHER AGENCIES:			
	Due From Other Agencies	Due To Other Agencies	Source
GENERAL REVENUE (01)			
Appd. Fund 0001, D23 0001			
Agency 717, D23 Fund 7999		\$75,217.76	State Pass Through
Agency 753, D23 Fund 7999		13,358.93	State Pass Through
Agency 755, D23 Fund 7999		135,365.72	State Pass Through
Agency 772, D23 Fund 0029		114,744.60	State Pass Through
Totals for Fund 0001		\$338,687.01	
Appd. Fund 0003, D23 Fund 0003			
Agency 733, D23 Fund 7999	\$22,678.28		State Pass Through
Totals for Fund 0003	\$22,678.28		
Appd. Fund 0148, D23 Fund 0148			
Agency 320, D23 Fund 5026	\$2,299,793.44		Federal Pass Through
Agency 529, D23 Fund 0001	338,879.10	\$15,945.22	Federal Pass Through

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DUE FROM/TO OTHER AGENCIES (cont'd):			
	Due From Other Agencies	Due To Other Agencies	Source
Agency 644, D23 Fund 0220		332,907.56	Federal Pass Through
Agency 644, D23 Fund 0271		98,377.96	Federal Pass Through
Agency 644, D23 Fund 0285		13,984.33	Federal Pass Through
Agency 696, D23 Fund 0991		185,057.82	Federal Pass Through
Agency 710, D23 Fund 7999		417,792.67	Federal Pass Through
Agency 711, D23 Fund 7999		72,955.75	Federal Pass Through
Agency 721, D23 Fund 7999		49,925.17	Federal Pass Through
Agency 733, D23 Fund 7999		689,901.29	Federal Pass Through
Agency 744, D23 Fund 7999		80,049.99	Federal Pass Through
Agency 746, D23 Fund 7999	3,023.00	1,509,453.77	Federal Pass Through
Agency 753, D23 Fund 7999		58,968.20	Federal Pass Through
Agency 754, D23 Fund 7999		22,644.26	Federal Pass Through
Agency 755, D23 Fund 7999		3,011.57	Federal Pass Through
Agency 759, D23 Fund 7999		7,354.65	Federal Pass Through
Agency 763, D23 Fund 7999		27,406.17	Federal Pass Through
Agency 772, D23 Fund 7999		80,031.08	Federal Pass Through
Agency 781, D23 Fund 7999		778,961.53	Federal Pass Through
Totals for Fund 0148	\$2,641,695.54	\$4,444,728.99	
Appd. Fund 0193, D23 Fund 0193			
Agency 362, D23 Fund 5025	\$130,976,278.98		Lottery Proceeds
Agency 733, D23 Fund 7999	5,799,136.76		State Pass Through
Agency 744, D23 Fund 7999		\$191,957.57	State Pass Through
Agency 755, D23 Fund 7999		109,290.16	State Pass Through
Agency 781, D23 Fund 0193		384,143.62	State Pass Through
Totals for Fund 0193	\$136,775,415.74	\$685,391.35	
Appd. Fund 0802, D23 Fund 2242			
Agency 608, D23 Fund 0802	\$1,076.43		License Plate Proceeds
Appd. Fund 0802, D23 Fund 2250			
Agency 608, D23 Fund 0802	1,753.23		License Plate Proceeds
Appd. Fund 0802, D23 Fund 2260			
Agency 608, D23 Fund 0802	66.40		License Plate Proceeds
Appd. Fund 0802, D23 Fund 2270			
Agency 608, D23 Fund 0802	2,097.03		License Plate Proceeds

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DUE FROM/TO OTHER AGENCIES (cont'd):			
	Due From Other Agencies	Due To Other Agencies	Source
Appd. Fund 0802, D23 Fund 2271			
Agency 608, D23 Fund 0802	866.74		License Plate Proceeds
Appd. Fund 0802, D23 Fund 2273			
Agency 608, D23 Fund 0802	3,559.61		License Plate Proceeds
Appd. Fund 0802, D23 Fund 2274			
Agency 608, D23 Fund 0802	2,202.67		License Plate Proceeds
Appd. Fund 0802, D23 Fund 2275			
Agency 608, D23 Fund 0802	44.32		License Plate Proceeds
Appd. Fund 0802, D23 Fund 2276			
Agency 608, D23 Fund 0802	3.45		License Plate Proceeds
Totals for Fund 0802	\$11,669.88		
Appd. Fund 5189, D23 Fund 5189			
Agency 902, D23 Fund 5189	\$122,759.71		Fentanyl Contamin. Training
Totals for Fund 05189	\$122,759.71		
SPECIAL REVENUE (02)			
Appd. Fund 0002, D23 Fund 0002			
Agency 733, D23 Fund 7999	\$48,197.00		State Pass Through
Appd. Fund 0002, D23 Fund 0002			
Agency 902, D23 Fund 0001	\$89,387,990.36		Fuel Tax
Totals for Fund 0002	\$89,436,187.36		
Total Due From/To Other Agencies (Exh I)	\$229,010,406.51	\$5,468,807.35	

LEGISLATIVE TRANSFERS IN/OUT:		
	LEGISLATIVE TRANSFERS IN	LEGISLATIVE TRANSFERS OUT
LEGISLATIVE TRANSFERS (01)		
Appd. Fund 0001, D23 Fund 0001		
Agency 313, D23 Fund 0010	\$254,380.00	
Appd. Fund 0001, D23 Fund 0001		
Agency 902, D23 Fund 0001	8,580.69	
Total Transfers for Fund 0001	\$262,960.69	
Total Legislative Transfers (Exh II)	\$262,960.69	

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OPERATING TRANSFERS IN/OUT:		
	TRANSFERS IN	TRANSFERS OUT
OPERATING TRANSFERS		
GENERAL REVENUE (01)		
Appd. Fund 0001, D23 Fund 0001		
Agency 701, D23 Fund 0148	\$2,366.00	
Agency 902, D23 Fund 0001	\$3,669.12	\$7,218,991.81
Total Transfers for Fund 0001	\$6,035.12	\$7,218,991.81
Appd. Fund 0003, D23 Fund 0003		
Agency 701, D23 Fund 0002	\$13,720,469.00	
Total Transfers for Fund 0003	\$13,720,469.00	
Appd. Fund 0148, D23 Fund 0148		
Agency 701, D23 Fund 0001		\$2,366.00
Total Transfers for Fund 0148		\$2,366.00
Appd. Fund 0193, D23 Fund 0193		
Agency 362, D23 Fund 5025	\$1,777,877,819.47	
Agency 781, D23 Fund 0193	54,286,843.00	\$118,063,602.62
Agency 902, D23 Fund 0001	12,619,084,707.80	
Agency 902, D23 Fund 0304	8,638,662,504.09	
Agency 902, D23 Fund 0305	2,298,421,000.00	
Total Transfers for Fund 0193	\$25,388,332,874.36	\$118,063,602.62
Appd. Fund 0599, D23 Fund 0599		
Agency 902, D23 Fund 0599		\$ 733.84
Total Transfers for Fund 0599		\$733.84
Appd. Fund 0802, D23 Fund 2276		
Agency 608, D23 Fund 0802	\$3.45	\$0.33
Total Transfers for Fund 0802	\$3.45	\$0.33
Appd. Fund 5189, D23 Fund 5189		
Agency 902, D23 Fund 5189	\$867,973.52	
Total Transfers for Fund 5189	\$867,973.52	

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OPERATING TRANSFERS IN/OUT (cont'd):		
	TRANSFERS IN	TRANSFERS OUT
SPECIAL REVENUE (02)		
Appd. Fund 0002, D23 Fund 0002		
Agency 701, D23 Fund 0003		\$13,720,469.00
Agency 706, D23 Fund 0044	\$2,156,354,136.90	
Total Transfers for Fund 0002	\$2,156,354,136.90	\$13,720,469.00
PERMANENT FUND (19)		
Appd. Fund 0044, D23 Fund 0044		
Agency 706, D23 Fund 0044	\$25,577.76	\$25,662.23
Total Transfers for Fund 0044	\$25,577.76	\$25,662.23
Total Transfers (Exh II)	\$27,559,307,070.11	\$139,031,825.83

CAPITAL ASSET BASIS CONVERSION ADJUSTMENT TRANSFERS IN/OUT:		
	TRANSFERS IN	TRANSFERS OUT
CAPITAL ASSET BASIS CONVERSION ADJUSTMENT (11)		
Appd. Fund 9998, D23 Fund 0998		
Agency 303, D23 Fund 0998		\$731.28
Total Transfers for Fund 0998		\$731.28
Total Capital Asset Basis Conversion Adjustment Transfers (Exh II)		\$731.28

Note 13 Continuation Subject to Review

The Sunset Act provides for the periodic review and/or possible termination of certain state boards, commissions, and agencies. The Texas Education Agency is subject to that Act and, unless continued in existence as provided by that Act, will be abolished effective September 1, 2027. The State Board of Education is subject to review by the Sunset Advisory Commission at the same time as the Agency; however, the Board is created by the State Constitution and would not be abolished.

Note 14 Adjustments to Fund Balances and Net Assets

Not applicable.

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Note 15 Contingencies and Commitments**Federal Assistance**

The Agency has received several federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to a request for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based on prior experience, management believes such disallowances, if any, will be immaterial.

Bond Guarantee Program

As described by Note 30 in greater detail, the Agency administers a Bond Guarantee Program for qualified school districts and charter districts who choose to participate. The purpose of the Program is to ultimately reduce borrowing costs for participating districts by increasing their credit rating through association with the Program. The Agency, through the Permanent School Fund, commits to the payment of scheduled principal and interest on behalf of a participating district in the event of that district's default.

As of August 31, 2025, no financial liability to the Permanent School Fund has been recorded in relation to the Fund's obligation to stand ready to perform over the term of the guarantee. The guarantee functions as a liquidity facility and an intercept program that carries little risk exposure to the Permanent School Fund. The guarantee is offered at a nominal cost to a school district or charter district that properly applies, receives endorsement by the Commissioner, and has its bonds approved by the State of Texas Attorney General.

Foundation School Program Guarantee

Legislation passed by the 2009 regular session of the Texas Legislature creates two programs to enhance the credit of school district and charter school debt issued for the purpose of financing facilities. Subchapters I and J of Chapter 45 of the Texas Education Code provide for credit enhancement "intercept" programs that would make payments from the state Foundation School Program appropriation in the event of a default on the part of a school district or charter school. The charter school program in Subchapter J requires a pledge of private funds to that program equal to the amount of state funds made available. Any payments from the Foundation School Program or the private funds pledged would be recouped from state funds due to the district or charter. The Agency does not anticipate implementing these two programs due to the reopening of the school district bond guarantee program in 2010, and legislation adopted in 2011 making some charter schools eligible for the same type of bond guarantee as noted above.

Pending LitigationNon-Permanent School Fund (PSF) Pending Litigation

The Agency is a party to certain litigation pending in state and federal court as noted below.

1. *LULAC v. Texas*, No. 5:15-CV-00219-RP, U.S. District Court, Western District of Texas, San Antonio Div.

This suit was filed by the League of United Latin American Citizens (LULAC) against the State of Texas, Southwest Independent School District (SWISD) and North East Independent School District (NEISD), after the Fifth Circuit Court of Appeals issued a reversal and remand in *U.S. v. Texas*, 601 F.3d 354 (5th Cir. 2010). The causes of action against NEISD were dismissed without prejudice in May, 2016. The suit alleges that current practices by the state and by SWISD violate the Equal Educational Opportunities Act of 1974 (20 U.S.C. § 1703(f)). LULAC pursued class certification, but this request has been denied. Plaintiffs have been given the opportunity to amend the complaint but have not yet done so. This suit does not

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seek specific monetary damages, but an injunction against the state could ultimately require spending in excess of \$10 million in order to achieve compliance. The case was stayed due to the passage of House Bill (HB) 3, 86th Regular Session, and its potential impact on the case and was further stayed due to the impacts of COVID-19. HB 3 increased the amount of funding available for school districts for general operations and for services directed at special populations.

The following case is pending but deemed very low-risk loss contingency:

2. *Excellence 2000, Inc., et al. v. Texas Education Agency*, Cause No. 2022-55524, In the 125th District Court of Harris County, Texas

Plaintiffs, a former charter holder and an associated individual, filed suit alleging an unconstitutional taking and fraud on the part of the agency in connection with real property to which the agency laid claim on behalf of the state. No specific amount of damages is asserted, but it is assumed, in light of the claims and an assertion of exemplary damages, that the amount claimed exceeds \$25,000. The case is currently pending.

Note 16 Subsequent Events

Not applicable.

Note 17 Risk Management

The Texas Education Agency is exposed to a variety of civil claims resulting from the performance of its duties. It is the Agency's policy to periodically assess the proper combination of commercial insurance and retention of risk to cover losses to which it may be exposed. The Agency assumes substantially all risks associated with tort claims and liability claims due to the performance of its duties. Besides the commercial insurance purchased on its three vehicles during the fiscal year, the Agency currently has not purchased any other commercial insurance nor is the Agency involved in any risk pools with other governmental entities. The agency is required by state law to participate in the State's workers' compensation insurance program administered through the State Office of Risk Management. This program covers risks of loss resulting from job-related illness or injuries to employees while in the course and scope of their work responsibilities. Following a work-related illness or injury, employees enter into a return-to-work program, if necessary, thus reducing indemnity payments for loss compensation.

The Agency's liabilities are reported when it is both probable that a loss has occurred and the amount of that loss can be reasonably estimated. Changes in the balances of the agency's claims during fiscal years 2025, 2024, 2023, 2022, and 2021 are shown below:

Fiscal Year	Beginning Balance	Additions	Reductions	Ending Balance
2021	\$ 0.00	\$ 0.00	\$ (0.00)	\$ 0.00
2022	\$ 0.00	\$ 0.00	\$ (0.00)	\$ 0.00
2023	\$ 0.00	\$ 0.00	\$ (0.00)	\$ 0.00
2024	\$ 0.00	\$ 101,251.95	\$ (101,251.95)	\$ 0.00
2025	\$ 0.00	\$ 70,000.00	\$ (70,000.00)	\$ 0.00

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Note 18 Management Discussion and Analysis

Significant changes from FY 2024 to FY 2025—excluding those related to FY 2025 being the second year of the biennium—are primarily due to the expiration of most COVID-related funding, including some that had previously been approved for extension. Additionally, remaining Elementary and Secondary School Emergency Relief (ESSER) funds, for which grant extensions were not canceled, began requiring approvals that delayed funding disbursement by several months for each request. As a result of these changes, federal funding has declined, and associated expenditures have decreased. Revenues and expenditures in Fund 0325 (COVID funding) dropped 91%, from \$4.0 billion in FY 2024 to \$360 million in FY 2025. This makes up a significant portion of the 25% drop in total revenues from \$15.7 billion in FY 2024 to \$11.8 billion in FY 2025.

Note 19 The Financial Reporting Entity

Not applicable.

Note 20 Stewardship, Compliance, and Accountability

Not applicable.

Note 21 (Deleted by Comptroller of Public Accounts)

Not applicable.

Note 22 Donor-Restricted Endowments

Not applicable.

Note 23 Extraordinary and Special Items

Not applicable.

Note 24 Disaggregation of Receivable and Payable Balances

As of August 31, 2025, the Agency had several intergovernmental receivables and payables which would be settled in the 2026 appropriation accounts. By statute, the Foundation School Program pays out the settlement owed from the past school year in September of the following school year; the expenditure refund amounts owed back to the Fund are subtracted from the allocations made to the districts for the following year.

Note 25 Termination Benefits

Not applicable.

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Note 26 Segment Information

Not applicable.

Note 27 Service Concession Arrangements

Not applicable.

Note 28 Deferred Outflows of Resources and Deferred Inflows of Resources

Not applicable.

Note 29 Troubled Debt Restructuring

Not applicable.

Note 30 Non-Exchange Financial Guarantees

Bond Guarantee Program

In 1983, the voters of the State approved a constitutional amendment which provides for the guarantee of school district bonds by the Permanent School Fund. This amendment was statutorily codified in the Texas Education Code Title 2, Subtitle I, Chapter 45, Subchapter C. The Guarantee Program is administered by the Commissioner of Education. For eligible bonds, including refunding bonds, school districts submit an application for guarantee and a \$1,500.00 processing fee. The Commissioner may endorse bonds for guarantee only after investigating the accreditation and financial viability of the applying school district. If the school district is considered viable and the bonds are approved by the State of Texas Attorney General, then the guarantee is endorsed at a zero premium charge to the district. In the event of a default by a school district, and upon proper notice to the Commissioner, the Permanent School Fund will transfer to the Paying Agent/Registrar an amount necessary to pay the maturing or matured principal and/or interest. Upon receipt of funds for payment of such principal or interest, the Paying Agent/Registrar must pay the amount due and forward the canceled Bond or evidence of payment of the interest to the State Comptroller of Public Accounts (the "Comptroller"). The Commissioner will instruct the Comptroller to withhold the amount paid, plus interest, from the first State money payable to the school district. The amount withheld will be deposited to the credit of the Permanent School Fund. To date, no school districts have ever defaulted on their guaranteed bonded indebtedness.

In 2011, the 82nd Texas Legislature enacted a Bill that established the Charter District Bond Guarantee Program as a new component of the Guarantee Program and authorized the use of the Permanent School Fund to guarantee revenue bonds issued by or for the benefit of certain open-enrollment charter schools that are designated as "charter districts" by the Commissioner. Charter district applicants are subject to the same application fee structure as described above for school districts. Upon meeting certain statutory eligibility requirements and approval by the Commissioner, bonds properly issued by a charter district are fully guaranteed by the corpus of the Permanent School Fund. Implementation of the Charter District Bond Guarantee Program was deferred pending receipt of guidance from the Internal Revenue Service, which was received in September 2013, and the establishment of regulations to govern the program, which were published for public comment in December 2013, approved in January 2014, and became effective in March 2014.

Statute requires charter district participants in the Program to contribute a portion of their savings that result from their participation in the Program to a Charter District Bond Guarantee Reserve Fund. In the event of a default by a charter district, the Commissioner shall instruct the Comptroller to transfer from the Charter District Bond

TEXAS EDUCATION AGENCY (701)

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Guarantee Reserve Fund to the district's paying agent the amount necessary to pay the maturing or matured principal and/or interest. If funds in the Charter District Bond Guarantee Reserve Fund are insufficient to pay the amount due on a bond in default, the payment process followed is the same as for school districts. As with school districts, no charter districts have defaulted on their guaranteed bond indebtedness.

More information on the guarantee program and its capacity can be in found in the annual financial report of the Permanent School Fund Corporation.

Note 31 Tax Abatements

Not applicable.

Note 32 Fund Balances

The agency has the following restrictions/covenants causing fund balances to be committed, restricted, and nonspendable:

GAAP Fund	Fund	AFR 54 Class	Amounts	Citation	Comments
General:					
0001	0001	Nonspendable	\$ 30,380.91		Imprest Funds & Consumable Inventory
0003	0003	Restricted	\$ 392,152,129.45	Texas Constitution, Article VII, Sec. 3	To hold for expenditure money transferred from Available School Fund (0002) to provide free textbooks and instructional materials for use of children attending the public schools
0053	0053	Committed	\$ 151,058,055.10	Texas Education Code Annotated, Sec. 45.0571	Committed for the payment of charter district bond guaranty defaults
0148	0148	Restricted	\$ 2,712,298.69	Various Federal CFDA's	Federal funds; restrictions are imposed by federal government agencies
0193	0193	Committed	\$ 312,511,876.70	Texas Education Code Annotated., Sec. 42.253 and 42.259 and Texas Gov't Code Annotated, Sec 466.355	Committed for allocation of Foundation School Program funds to school districts based on formulas in the Texas Education Code
0325	0325	Restricted	\$ 5,331,895.38	Various Federal CFDA's	Federal funds for COVID-19 relief; restrictions are imposed by federal government agencies
0326	0326	Committed	\$ 3,396,298.34	Texas Education Code Annotated., Sec. 12.141	Committed for the payment of expenses relating to managing and closing an open-enrollment charter school

TEXAS EDUCATION AGENCY (701)

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GAAP Fund	Fund	AFR 54 Class	Amounts	Citation	Comments
Special					
0002	0002	Restricted	\$ 189,691,511.21	Texas Education Code Annotated., Sec. 43.001 and Texas Constitution, Article VII, Sec. 5 (c)	Restricted for the support of the public free schools and its funds are to be distributed annually according to counties' scholastic population
Permanent:					
0044	0044	Restricted	\$ 0.00	Texas Constitution, Article VII, Sec. 5.(a), (b), & (d)	Appropriated expenditures, Available School Fund transfers, payment of guaranteed bond defaults
0044	0044	Nonspendable	\$ 0.00	Texas Constitution, Article VII, Sec. 5.(a), (b), & (d)	The remainder of the fund balance is classified as nonspendable in alignment with the fund's permanent nature as described in the Texas Constitution

Texas Education Agency (701)
Exhibit A-1
Combining Balance Sheet-
All General and Consolidated Funds
August 31, 2025

	General Revenue Fund 0001	State Instructional Materials Fund 0003	Charter District Bond Guarantee Reserve Fund 0053	Coronavirus Relief Fund 0325	Charter School Liquid Fund 0326
ASSETS					
Current Assets:					
Cash and Cash Equivalents:					
Cash on Hand	\$ 140.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Cash in Bank	0.00	0.00	23,997.80	0.00	0.00
Cash Equivalents	0.00	0.00	1,060,703.61	0.00	0.00
Cash in State Treasury	0.00	420,514,685.04	267,850.23	4,320,243.14	2,109,648.24
Securities Lending Collateral	0.00	0.00	0.00	0.00	0.00
Short-Term Investments	0.00	0.00	0.00	0.00	0.00
Legislative Appropriations	1,404,277,284.30	0.00	0.00	0.00	0.00
Receivables:					
Federal	0.00	0.00	0.00	91,895,730.61	0.00
Intergovernmental	0.00	0.00	0.00	0.00	0.00
Interest and Dividends	198,271.71	1,476,334.91	1,111,383.30	0.00	0.00
Accounts	57,293.12	0.00	0.00	0.00	0.00
Taxes	0.00	0.00	0.00	0.00	0.00
Investment Trade Receivable	0.00	0.00	3,933,201.18	0.00	0.00
Interfund Receivables (Note 12)	3,246,934.98	0.00	0.00	0.00	1,331,621.73
Due From Other Funds (Note 12)	0.00	0.00	0.00	0.00	0.00
Due From Other Agencies (Note 12)	0.00	22,678.28	0.00	0.00	0.00
Consumable Inventories	30,380.91	0.00	0.00	0.00	0.00
Total Current Assets	<u>\$ 1,407,810,305.02</u>	<u>\$ 422,013,698.23</u>	<u>\$ 6,397,136.12</u>	<u>\$ 96,215,973.75</u>	<u>\$ 3,441,269.97</u>
Non-Current Assets:					
Investments	\$ 0.00	\$ 0.00	\$ 150,039,589.18	\$ 0.00	\$ 0.00
Total Non-Current Assets	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 150,039,589.18</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
Total Assets	<u>\$ 1,407,810,305.02</u>	<u>\$ 422,013,698.23</u>	<u>\$ 156,436,725.30</u>	<u>\$ 96,215,973.75</u>	<u>\$ 3,441,269.97</u>
LIABILITIES AND FUND BALANCES					
Current Liabilities:					
Payables:					
Accounts	\$ 298,358,744.22	\$ 29,610,740.95	\$ 0.00	\$ 90,883,608.27	\$ 4,137.27
Other Intergovernmental	0.00	0.00	0.00	0.00	0.00
Payroll	8,304,001.72	250,827.83	0.00	470.10	40,834.36
Other Payables	0.00	0.00	0.00	0.00	0.00
Investment Trade Payables	0.00	0.00	5,378,670.20	0.00	0.00
Interfund Payables (Note 12)	3,241,894.34	0.00	0.00	0.00	0.00
Due to Other Funds (Note 12)	0.00	0.00	0.00	0.00	0.00
Due to Other Agencies (Note 12)	338,687.01	0.00	0.00	0.00	0.00
Unearned Revenues	3,437,360.36	0.00	0.00	0.00	0.00
Employee Compensable Leave (Note 5)	0.00	0.00	0.00	0.00	0.00
Obligations / Securities Lending	0.00	0.00	0.00	0.00	0.00
Total Current Liabilities	<u>\$ 313,680,687.65</u>	<u>\$ 29,861,568.78</u>	<u>\$ 5,378,670.20</u>	<u>\$ 90,884,078.37</u>	<u>\$ 44,971.63</u>
Non-Current Liabilities:					
Employee Compensable Leave (Note 5)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Total Non-Current Liabilities	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
Total Liabilities	<u>\$ 313,680,687.65</u>	<u>\$ 29,861,568.78</u>	<u>\$ 5,378,670.20</u>	<u>\$ 90,884,078.37</u>	<u>\$ 44,971.63</u>
Fund Financial Statement - Fund					
Fund Balances (Deficits):					
Nonspendable	\$ 30,380.91	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Restricted	0.00	392,152,129.45	0.00	5,331,895.38	0.00
Committed	0.00	0.00	151,058,055.10	0.00	3,396,298.34
Assigned	0.00	0.00	0.00	0.00	0.00
Unassigned	1,094,099,236.46	0.00	0.00	(0.00)	0.00
Total Fund Balances	<u>\$ 1,094,129,617.37</u>	<u>\$ 392,152,129.45</u>	<u>\$ 151,058,055.10</u>	<u>\$ 5,331,895.38</u>	<u>\$ 3,396,298.34</u>
Total Liabilities and Fund Balances	<u>\$ 1,407,810,305.02</u>	<u>\$ 422,013,698.23</u>	<u>\$ 156,436,725.30</u>	<u>\$ 96,215,973.75</u>	<u>\$ 3,441,269.97</u>

Texas Education Agency (701)
Exhibit A-1
Combining Balance Sheet-
All General and Consolidated Funds
August 31, 2025

	Consolidated Accounts					
	License Plate Trust Fund 0802	Federal Health, Education & Welfare Fund 0148	Federal School Lunch Fund 0171	Foundation School Fund 0193	Economic Stabilization Fund 0599	Opioid Abatement Fund 5189 5189
ASSETS						
Current Assets:						
Cash and Cash Equivalents:						
Cash on Hand	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Cash in Bank	0.00	0.00	0.00	0.00	0.00	0.00
Cash Equivalents	0.00	0.00	0.00	0.00	0.00	0.00
Cash in State Treasury	0.00	11,722,409.22	0.00	1,013,370,109.11	0.00	0.00
Securities Lending Collateral	0.00	0.00	0.00	0.00	0.00	0.00
Short-Term Investments	0.00	0.00	0.00	0.00	0.00	0.00
Legislative Appropriations	0.00	0.00	0.00	0.00	0.00	0.00
Receivables:						
Federal	0.00	1,261,494,919.21	19,033,256.92	0.00	0.00	0.00
Intergovernmental	0.00	0.00	0.00	585,199,561.00	0.00	0.00
Interest and Dividends	0.00	0.00	0.00	0.00	0.00	0.00
Accounts	0.00	0.00	0.00	0.00	0.00	0.00
Taxes	0.00	0.00	0.00	0.00	0.00	0.00
Investment Trade Receivable	0.00	0.00	0.00	0.00	0.00	0.00
Interfund Receivables (Note 12)	0.00	0.00	0.00	676.93	0.00	0.00
Due From Other Funds (Note 12)	0.00	0.00	0.00	0.00	0.00	0.00
Due From Other Agencies (Note 12)	11,669.88	2,641,695.54	0.00	136,775,415.74	0.00	122,759.71
Consumable Inventories	0.00	0.00	0.00	0.00	0.00	0.00
Total Current Assets	<u>\$ 11,669.88</u>	<u>\$ 1,275,859,023.97</u>	<u>\$ 19,033,256.92</u>	<u>\$ 1,735,345,762.78</u>	<u>\$ 0.00</u>	<u>\$ 122,759.71</u>
Non-Current Assets:						
Investments	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Total Non-Current Assets	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
Total Assets	<u><u>\$ 11,669.88</u></u>	<u><u>\$ 1,275,859,023.97</u></u>	<u><u>\$ 19,033,256.92</u></u>	<u><u>\$ 1,735,345,762.78</u></u>	<u><u>\$ 0.00</u></u>	<u><u>\$ 122,759.71</u></u>
LIABILITIES AND FUND BALANCES						
Current Liabilities:						
Payables:						
Accounts	\$ 11,669.88	\$ 1,264,182,589.34	\$ 19,033,256.92	\$ 46,087,862.73	\$ 0.00	\$ 122,759.71
Other Intergovernmental	0.00	0.00	0.00	1,376,060,632.00	0.00	0.00
Payroll	0.00	4,514,366.31	0.00	0.00	0.00	0.00
Other Payables	0.00	0.00	0.00	0.00	0.00	0.00
Investment Trade Payables	0.00	0.00	0.00	0.00	0.00	0.00
Interfund Payables (Note 12)	0.00	5,040.64	0.00	0.00	0.00	0.00
Due to Other Funds (Note 12)	0.00	0.00	0.00	0.00	0.00	0.00
Due to Other Agencies (Note 12)	0.00	4,444,728.99	0.00	685,391.35	0.00	0.00
Unearned Revenues	0.00	0.00	0.00	0.00	0.00	0.00
Employee Compensable Leave (Note 5)	0.00	0.00	0.00	0.00	0.00	0.00
Obligations / Securities Lending	0.00	0.00	0.00	0.00	0.00	0.00
Total Current Liabilities	<u>\$ 11,669.88</u>	<u>\$ 1,273,146,725.28</u>	<u>\$ 19,033,256.92</u>	<u>\$ 1,422,833,886.08</u>	<u>\$ 0.00</u>	<u>\$ 122,759.71</u>
Non-Current Liabilities:						
Employee Compensable Leave (Note 5)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Total Non-Current Liabilities	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
Total Liabilities	<u><u>\$ 11,669.88</u></u>	<u><u>\$ 1,273,146,725.28</u></u>	<u><u>\$ 19,033,256.92</u></u>	<u><u>\$ 1,422,833,886.08</u></u>	<u><u>\$ 0.00</u></u>	<u><u>\$ 122,759.71</u></u>
Fund Financial Statement - Fund						
Fund Balances (Deficits):						
Nonspendable	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Restricted	0.00	2,712,298.69	0.00	0.00	0.00	0.00
Committed	0.00	0.00	0.00	312,511,876.70	0.00	0.00
Assigned	0.00	0.00	0.00	0.00	0.00	0.00
Unassigned	0.00	(0.00)	(0.00)	0.00	0.00	0.00
Total Fund Balances	<u>\$ 0.00</u>	<u>\$ 2,712,298.69</u>	<u>\$ (0.00)</u>	<u>\$ 312,511,876.70</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
Total Liabilities and Fund Balances	<u><u>\$ 11,669.88</u></u>	<u><u>\$ 1,275,859,023.97</u></u>	<u><u>\$ 19,033,256.92</u></u>	<u><u>\$ 1,735,345,762.78</u></u>	<u><u>\$ 0.00</u></u>	<u><u>\$ 122,759.71</u></u>

Texas Education Agency (701)
Exhibit A-1
Combining Balance Sheet-
All General and Consolidated Funds
August 31, 2025

	Child Support Deduction 8070 8070	Agency Suspense Fund 0900	Memorandum Totals FY2025 Exhibit I
ASSETS			
Current Assets:			
Cash and Cash Equivalents:			
Cash on Hand	\$ 0.00	\$ 0.00	\$ 140.00
Cash in Bank	0.00	0.00	23,997.80
Cash Equivalents	0.00	0.00	1,060,703.61
Cash in State Treasury	9,055.46	1,613,042.27	1,453,927,042.71
Securities Lending Collateral	0.00	0.00	0.00
Short-Term Investments	0.00	0.00	0.00
Legislative Appropriations	0.00	0.00	1,404,277,284.30
Receivables:			
Federal	0.00	0.00	1,372,423,906.74
Intergovernmental	0.00	0.00	585,199,561.00
Interest and Dividends	0.00	0.00	2,785,989.92
Accounts	0.00	0.00	57,293.12
Taxes	0.00	0.00	0.00
Investment Trade Receivable	0.00	0.00	3,933,201.18
Interfund Receivables (Note 12)	0.00	0.00	4,579,233.64
Due From Other Funds (Note 12)	0.00	0.00	0.00
Due From Other Agencies (Note 12)	0.00	0.00	139,574,219.15
Consumable Inventories	0.00	0.00	30,380.91
Total Current Assets	<u>\$ 9,055.46</u>	<u>\$ 1,613,042.27</u>	<u>\$ 4,967,872,954.08</u>
Non-Current Assets:			
Investments	\$ 0.00	\$ 0.00	\$ 150,039,589.18
Total Non-Current Assets	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 150,039,589.18</u>
Total Assets	<u><u>\$ 9,055.46</u></u>	<u><u>\$ 1,613,042.27</u></u>	<u><u>\$ 5,117,912,543.26</u></u>
LIABILITIES AND FUND BALANCES			
Current Liabilities:			
Payables:			
Accounts	\$ 0.00	\$ 0.00	\$ 1,748,295,369.29
Other Intergovernmental	0.00	0.00	1,376,060,632.00
Payroll	9,055.46	0.00	13,119,555.78
Other Payables	0.00	0.00	0.00
Investment Trade Payables	0.00	0.00	5,378,670.20
Interfund Payables (Note 12)	0.00	1,332,298.66	4,579,233.64
Due to Other Funds (Note 12)	0.00	0.00	0.00
Due to Other Agencies (Note 12)	0.00	0.00	5,468,807.35
Unearned Revenues	0.00	280,743.61	3,718,103.97
Employee Compensable Leave (Note 5)	0.00	0.00	0.00
Obligations / Securities Lending	0.00	0.00	0.00
Total Current Liabilities	<u>\$ 9,055.46</u>	<u>\$ 1,613,042.27</u>	<u>\$ 3,156,620,372.23</u>
Non-Current Liabilities:			
Employee Compensable Leave (Note 5)	\$ 0.00	\$ 0.00	\$ 0.00
Total Non-Current Liabilities	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
Total Liabilities	<u><u>\$ 9,055.46</u></u>	<u><u>\$ 1,613,042.27</u></u>	<u><u>\$ 3,156,620,372.23</u></u>
Fund Financial Statement - Fund			
Fund Balances (Deficits):			
Nonspendable	\$ 0.00	\$ 0.00	\$ 30,380.91
Restricted	0.00	0.00	400,196,323.52
Committed	0.00	0.00	466,966,230.14
Assigned	0.00	0.00	0.00
Unassigned	0.00	0.00	1,094,099,236.46
Total Fund Balances	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 1,961,292,171.03</u>
Total Liabilities and Fund Balances	<u><u>\$ 9,055.46</u></u>	<u><u>\$ 1,613,042.27</u></u>	<u><u>\$ 5,117,912,543.26</u></u>

Texas Education Agency (701)

Exhibit A-2

Combining Statement of Revenues, Expenditures, and Changes
in Fund Balance - All General and Consolidated Funds

For the fiscal year ended August 31, 2025

	General Revenue Fund 0001	State Instructional Materials Fund 0003	Charter District Bond Guarantee Reserve Fund 0053	Coronavirus Relief Fund 0325	Charter School Liquid Fund 0326	License Plate Trust Fund 0802
REVENUES						
Legislative Appropriations:						
Original Appropriations	\$ 719,611,865.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Additional Appropriations	27,788,140.83	0.00	0.00	0.00	0.00	0.00
Backout N/A Revenue	0.00	0.00	0.00	0.00	0.00	0.00
Taxes	0.00	0.00	0.00	0.00	0.00	0.00
Federal Revenue (Sch. 1A)	0.00	0.00	0.00	361,613,236.14	0.00	0.00
Federal Grant Pass-Through Revenue (Sch. 1A)	0.00	0.00	0.00	3,718,859.18	0.00	0.00
State Grant Pass-Through Revenue (Sch. 1B)	0.00	0.00	0.00	0.00	0.00	0.00
Licenses, Fees and Permits	2,891,106.35	0.00	28,071,710.45	0.00	0.00	125,775.94
Interest and Other Investment Income	6,646,175.60	27,883,532.85	4,851,168.21	0.00	0.00	707.09
Net Increase (Decrease) in Fair Value	0.00	0.00	1,892,242.83	0.00	0.00	0.00
Sales of Goods and Services	240,244.92	0.00	0.00	82,646.88	0.00	0.00
Other	1,282,866.67	1,791.47	0.00	0.00	1,859,857.92	0.00
Total Revenues	\$ 758,460,399.37	\$ 27,885,324.32	\$ 34,815,121.49	\$ 365,414,742.20	\$ 1,859,857.92	\$ 126,483.03
EXPENDITURES						
Salaries and Wages	\$ 81,639,239.63	\$ 1,354,706.03	\$ 0.00	\$ 3,623,606.97	\$ 320,078.16	\$ 0.00
Payroll Related Costs	19,892,294.17	792,292.73	0.00	1,391,318.31	84,129.62	0.00
Professional Fees and Services	113,872,297.05	(1,537,894.99)	0.00	67,530,463.71	139,138.20	0.00
Travel	1,430,547.24	620,047.18	0.00	6,549.75	3,569.02	0.00
Materials and Supplies	3,333,786.59	44,404.70	0.00	13,862,970.26	217.65	0.00
Communication and Utilities	1,123,155.93	(2,475.80)	0.00	(22,499.64)	749.92	0.00
Repairs and Maintenance	2,439,763.64	274.39	0.00	16,340.14	4,350.00	0.00
Rentals and Leases	360,936.88	(3,150.59)	0.00	(109.61)	0.00	0.00
Printing and Reproduction	107,096.61	29,756.52	0.00	514.17	0.00	0.00
Claims and Judgements	70,000.00	0.00	0.00	0.00	0.00	0.00
Federal Grant Pass Through Expenditures (Sch. 1A)	0.00	0.00	0.00	515,745.81	0.00	0.00
State Grant Pass Through Expenditures (Sch. 1B)	5,647,455.08	1,318,548.34	0.00	0.00	0.00	0.00
Intergovernmental Payments	751,851,786.45	490,707,102.61	0.00	276,959,886.29	0.00	6,576.70
Public Assistance Payments	75,500,776.18	0.00	0.00	590,316.44	0.00	119,909.45
Other Expenditures	11,614,099.46	16,904.81	0.00	2,405.27	6,924.42	0.00
Debt Service:	0.00	0.00	0.00	0.00	0.00	0.00
Principal	0.00	0.00	0.00	0.00	0.00	0.00
Interest (1)	0.00	0.00	0.00	0.00	0.00	0.00
Capital Outlay	263,025.19	5,860.49	0.00	36,629.30	0.00	0.00
Depreciation Expense	0.00	0.00	0.00	0.00	0.00	0.00
Total Expenditures / Expenses	\$ 1,069,146,260.10	\$ 493,346,376.42	\$ 0.00	\$ 364,514,137.17	\$ 559,156.99	\$ 126,486.15
Excess (Deficit) of Revenues Over (Under)	\$ (310,685,860.73)	\$ (465,461,052.10)	\$ 34,815,121.49	\$ 900,605.03	\$ 1,300,700.93	\$ (3.12)
OTHER FINANCING SOURCES (USES):						
Increase in Obligations - Leases	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Sale of Capital Assets	6,093.72	0.00	0.00	0.00	0.00	0.00
Transfers In (Note 12)	6,035.12	13,720,469.00	0.00	0.00	0.00	3.45
Transfers Out (Note 12)	(7,218,991.81)	0.00	0.00	0.00	0.00	(0.33)
Insurance and Damages	0.00	0.00	0.00	0.00	0.00	0.00
Legislative Transfers In (Note 12)	262,960.69	0.00	0.00	0.00	0.00	0.00
Legislative Transfers Out (Note 12)	0.00	0.00	0.00	0.00	0.00	0.00
Gain (Loss) on Sale of Capital Assets	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Financing Sources (Uses)	\$ (6,943,902.28)	\$ 13,720,469.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 3.12
Net Change in Fund Balances / Net Assets	\$ (317,629,763.01)	\$ (451,740,583.10)	\$ 34,815,121.49	\$ 900,605.03	\$ 1,300,700.93	\$ 0.00
Fund Financial Statement - Fund Balances						
Fund Balance - September 1, 2024	\$ 1,478,990,676.66	\$ 843,892,712.55	\$ 116,242,933.61	\$ 4,431,290.35	\$ 2,095,597.41	\$ 0.00
Appropriations Lapsed	(67,231,296.28)	0.00	0.00	0.00	0.00	0.00
Fund Balance - August 31, 2025	\$ 1,094,129,617.37	\$ 392,152,129.45	\$ 151,058,055.10	\$ 5,331,895.38	\$ 3,396,298.34	\$ 0.00

Texas Education Agency (701)
Exhibit A-2
Combining Statement of Revenues, Expenditures, and Changes
in Fund Balance - All General and Consolidated Funds

For the fiscal year ended August 31, 2025

	Consolidated Accounts				
	Federal Health, Education & Welfare Fund 0148	Federal School Lunch Fund 0171	Foundation School Fund 0193	Economic Stabilization Fund 0599	Opioid Abatement Fund 5189 5189
REVENUES					
Legislative Appropriations:					
Original Appropriations	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Additional Appropriations	0.00	0.00	0.00	0.00	0.00
Backout N/A Revenue	0.00	0.00	0.00	0.00	0.00
Taxes	0.00	0.00	0.00	0.00	0.00
Federal Revenue (Sch. 1A)	4,090,511,383.90	2,643,844,340.77	0.00	0.00	0.00
Federal Grant Pass-Through Revenue (Sch. 1A)	18,044,181.43	0.00	0.00	0.00	0.00
State Grant Pass-Through Revenue (Sch. 1B)	0.00	0.00	0.00	0.00	0.00
Licenses, Fees and Permits	0.00	0.00	0.00	0.00	0.00
Interest and Other Investment Income	0.00	0.00	0.00	0.00	0.00
Net Increase (Decrease) in Fair Value	0.00	0.00	0.00	0.00	0.00
Sales of Goods and Services	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	2,889,232,737.71	0.00	0.00
Total Revenues	\$ 4,108,555,565.33	\$ 2,643,844,340.77	\$ 2,889,232,737.71	\$ 0.00	\$ 0.00
EXPENDITURES					
Salaries and Wages	\$ 38,700,294.66	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Payroll Related Costs	12,802,573.79	0.00	0.00	0.00	0.00
Professional Fees and Services	45,885,624.82	0.00	49,545,599.14	0.00	0.00
Travel	549,860.84	0.00	31,284.37	0.00	0.00
Materials and Supplies	966,605.90	0.00	0.00	0.00	0.00
Communication and Utilities	917,233.35	0.00	0.00	0.00	0.00
Repairs and Maintenance	165,374.65	0.00	0.00	0.00	0.00
Rentals and Leases	53,280.17	0.00	1,218.00	0.00	0.00
Printing and Reproduction	33.35	0.00	0.00	0.00	0.00
Claims and Judgements	0.00	0.00	0.00	0.00	0.00
Federal Grant Pass Through Expenditures (Sch. 1A)	78,083,142.20	151,437.57	0.00	0.00	0.00
State Grant Pass Through Expenditures (Sch. 1B)	0.00	0.00	161,085,076.48	0.00	0.00
Intergovernmental Payments	3,898,680,417.43	2,643,664,616.67	27,734,892,101.46	(733.84)	867,973.52
Public Assistance Payments	28,685,752.48	28,286.53	452,140.18	0.00	0.00
Other Expenditures	1,720,735.26	0.00	0.00	0.00	0.00
Debt Service:	0.00	0.00	0.00	0.00	0.00
Principal	47,539.87	0.00	0.00	0.00	0.00
Interest (1)	0.00	0.00	0.00	0.00	0.00
Capital Outlay	62,719.86	0.00	0.00	0.00	0.00
Depreciation Expense	0.00	0.00	0.00	0.00	0.00
Total Expenditures / Expenses	\$ 4,107,321,188.63	\$ 2,643,844,340.77	\$ 27,946,007,419.63	\$ (733.84)	\$ 867,973.52
Excess (Deficit) of Revenues Over (Under)	\$ 1,234,376.70	\$ (0.00)	\$ (25,056,774,681.92)	\$ 733.84	\$ (867,973.52)
OTHER FINANCING SOURCES (USES):					
Increase in Obligations - Leases	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Sale of Capital Assets	0.00	0.00	0.00	0.00	0.00
Transfers In (Note 12)	0.00	0.00	25,388,332,874.36	0.00	867,973.52
Transfers Out (Note 12)	(2,366.00)	0.00	(118,063,602.62)	(733.84)	0.00
Insurance and Damages	0.00	0.00	0.00	0.00	0.00
Legislative Transfers In (Note 12)	0.00	0.00	0.00	0.00	0.00
Legislative Transfers Out (Note 12)	0.00	0.00	0.00	0.00	0.00
Gain (Loss) on Sale of Capital Assets	0.00	0.00	0.00	0.00	0.00
Total Other Financing Sources (Uses)	\$ (2,366.00)	\$ 0.00	\$ 25,270,269,271.74	\$ (733.84)	\$ 867,973.52
Net Change in Fund Balances / Net Assets	\$ 1,232,010.70	\$ (0.00)	\$ 213,494,589.82	\$ 0.00	\$ 0.00
Fund Financial Statement - Fund Balances					
Fund Balance - September 1, 2024	\$ 1,480,287.99	\$ 0.00	\$ 99,017,286.88	\$ 0.00	\$ 0.00
Appropriations Lapsed	0.00	0.00	0.00	0.00	0.00
Fund Balance - August 31, 2025	\$ 2,712,298.69	\$ (0.00)	\$ 312,511,876.70	\$ 0.00	\$ 0.00

Texas Education Agency (701)

Exhibit A-2

Combining Statement of Revenues, Expenditures, and Changes
in Fund Balance - All General and Consolidated Funds

For the fiscal year ended August 31, 2025

	Child Support Deduction 8070 8070	Agency Suspense Fund 0900	Memorandum Totals FY2025 Exhibit II
REVENUES			
Legislative Appropriations:			
Original Appropriations	\$ 0.00	\$ 0.00	\$ 719,611,865.00
Additional Appropriations	0.00	0.00	27,788,140.83
Backout N/A Revenue	0.00	0.00	0.00
Taxes	0.00	0.00	0.00
Federal Revenue (Sch. 1A)	0.00	0.00	7,095,968,960.81
Federal Grant Pass-Through Revenue (Sch. 1A)	0.00	0.00	21,763,040.61
State Grant Pass-Through Revenue (Sch. 1B)	0.00	0.00	0.00
Licenses, Fees and Permits	0.00	0.00	31,088,592.74
Interest and Other Investment Income	0.00	0.00	39,381,583.75
Net Increase (Decrease) in Fair Value	0.00	0.00	1,892,242.83
Sales of Goods and Services	0.00	0.00	322,891.80
Other	0.00	0.00	2,892,377,253.77
Total Revenues	\$ 0.00	\$ 0.00	\$ 10,830,194,572.14
EXPENDITURES			
Salaries and Wages	\$ 0.00	\$ 0.00	\$ 125,637,925.45
Payroll Related Costs	0.00	0.00	34,962,608.62
Professional Fees and Services	0.00	0.00	275,435,227.93
Travel	0.00	0.00	2,641,858.40
Materials and Supplies	0.00	0.00	18,207,985.10
Communication and Utilities	0.00	0.00	2,016,163.76
Repairs and Maintenance	0.00	0.00	2,626,102.82
Rentals and Leases	0.00	0.00	412,174.85
Printing and Reproduction	0.00	0.00	137,400.65
Claims and Judgements	0.00	0.00	70,000.00
Federal Grant Pass Through Expenditures (Sch. 1A)	0.00	0.00	78,750,325.58
State Grant Pass Through Expenditures (Sch. 1B)	0.00	0.00	168,051,079.90
Intergovernmental Payments	0.00	0.00	35,797,629,727.29
Public Assistance Payments	0.00	0.00	105,377,181.26
Other Expenditures	0.00	0.00	13,361,069.22
Debt Service:	0.00	0.00	0.00
Principal	0.00	0.00	47,539.87
Interest (1)	0.00	0.00	0.00
Capital Outlay	0.00	0.00	368,234.84
Depreciation Expense	0.00	0.00	0.00
Total Expenditures / Expenses	\$ 0.00	\$ 0.00	\$ 36,625,732,605.54
Excess (Deficit) of Revenues Over (Under)	\$ 0.00	\$ 0.00	\$ (25,795,538,033.40)
OTHER FINANCING SOURCES (USES):			
Increase in Obligations - Leases	\$ 0.00	\$ 0.00	\$ 0.00
Sale of Capital Assets	0.00	0.00	6,093.72
Transfers In (Note 12)	0.00	0.00	25,402,927,355.45
Transfers Out (Note 12)	0.00	0.00	(125,285,694.60)
Insurance and Damages	0.00	0.00	0.00
Legislative Transfers In (Note 12)	0.00	0.00	262,960.69
Legislative Transfers Out (Note 12)	0.00	0.00	0.00
Gain (Loss) on Sale of Capital Assets	0.00	0.00	0.00
Total Other Financing Sources (Uses)	\$ 0.00	\$ 0.00	\$ 25,277,910,715.26
Net Change in Fund Balances / Net Assets	\$ 0.00	\$ 0.00	\$ (517,627,318.14)
Fund Financial Statement - Fund Balances			
Fund Balance - September 1, 2024	\$ 0.00	\$ 0.00	\$ 2,546,150,785.45
Appropriations Lapsed	0.00	0.00	(67,231,296.28)
Fund Balance - August 31, 2025	\$ 0.00	\$ 0.00	\$ 1,961,292,171.03

Texas Education Agency (701)
Schedule 1A - Expenditures of Federal Awards
For the fiscal year ended August 31, 2025

Federal Grantor/ Pass Through Grantor/ Program Title	NS Nan I	Pass-Through From			Direct Program Amount
		Agency / University Number	Agency / University Amount	Non-State Entities Amount	
U.S. Department of the Treasury					
COVID-19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027				
Pass-Through From:					
Governor- Fiscal		300	\$	678,483.63	
Pass-Through To Non-State Entities					
Total	21.027			678,483.63	
Totals - U.S. Department of Treasury			\$	678,483.63	
U.S. Department of Education					
Direct Programs:					
Title I Grants to Local Educational Agencies	84.010A			\$	1,902,530,846.99
Pass-Through To:					
University of Texas at Austin					
University of Texas at Tyler					
Texas School for the Blind and Visually Impaired					
Texas School for the Deaf					
Pass-Through To Non-State Entities					
Total	84.010A			\$	1,902,530,846.99
Migrant Education - State Grant Program	84.011A			\$	23,533,860.54
Pass-Through To Non-State Entities					
Total	84.011A			\$	23,533,860.54
Title I Program for Neglected & Delinquent Children & Youth	84.013A			\$	3,545,303.76
Pass-Through To:					
Texas Juvenile Justice Department					
Texas Department of Criminal Justice					
Pass-Through To Non-State Entities					
Total	84.013A			\$	3,545,303.76
Vocational Education - Basic Grants to States	84.048A			\$	129,517,544.26
Pass-Through To:					
Texas Juvenile Justice Department					
Texas Department of Criminal Justice					
Texas A&M University					
Texas School for the Blind and Visually Impaired					
Texas School For The Deaf					
Texas Higher Education Coordinating Board					
Pass-Through To Non-State Entities					
Total	84.048A			\$	129,517,544.26
Migrant Education Coordination Program	84.144			\$	56,580.77
Pass-Through To Non-State Entities					
Total	84.144			\$	56,580.77
Education for Homeless Children and Youth	84.196A			\$	11,625,981.61
Total	84.196A			\$	11,625,981.61
Charter Schools	84.282A			\$	16,097,609.56
Pass-Through To:					
Pass-Through To Non-State Entities					
Total	84.282A			\$	16,097,609.56
Twenty-First Century Community Learning Centers	84.287C			\$	134,177,976.32
Pass-Through To Non-State Entities					
Total	84.287C			\$	134,177,976.32
Longitudinal Data to Support State Education Policymaking	84.305S			\$	155,399.39
Pass-Through To:					
Pass-Through To Non-State Entities					
Total	84.305S			\$	155,399.39
Special Education - Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326T			\$	640,285.36
Pass-Through To:					
Texas School for the Blind and Visually Impaired					
Total	84.326T			\$	640,285.36

Pass-Through To					
Total Pass-Through From and Direct Program	Agency / University Number	Agency / University Amount	Non-State Entities Amount	Expenditures Amount	Total Pass-Through to and Expenditures Amount
\$ 678,483.63			\$ 678,483.63	\$ 678,483.63	\$ 678,483.63
\$ 678,483.63			\$ 678,483.63	\$ 678,483.63	\$ 678,483.63
\$ 678,483.63			\$ 678,483.63	0.00	\$ 678,483.63
\$ 1,902,530,846.99					
	721	\$ 977,000.80		\$ 977,000.80	
	750	159,932.24		159,932.24	
	771	2,418.00		2,418.00	
	772	110,204.09		110,204.09	
			\$ 1,881,117,311.59	\$ 20,163,980.27	1,901,281,291.86
\$ 1,902,530,846.99		\$ 1,249,555.13	\$ 1,881,117,311.59	\$ 20,163,980.27	\$ 1,902,530,846.99
\$ 23,533,860.54			\$ 22,419,890.55	\$ 1,113,969.99	\$ 23,533,860.54
\$ 23,533,860.54			\$ 22,419,890.55	\$ 1,113,969.99	\$ 23,533,860.54
\$ 3,545,303.76					
	644	\$ 1,886,525.11		\$ 1,886,525.11	
	696	1,627,904.05		1,627,904.05	
			\$ 1,552.47	\$ 29,322.13	30,874.60
\$ 3,545,303.76		\$ 3,514,429.16	\$ 1,552.47	\$ 29,322.13	\$ 3,545,303.76
\$ 129,517,544.26					
	644	\$ 303,252.23		\$ 303,252.23	
	696	1,416,169.90		1,416,169.90	
	711	20,135.29		20,135.29	
	771	15,553.00		15,553.00	
	772	41,764.32		41,764.32	
	781	43,187,442.66		43,187,442.66	
			\$ 80,319,814.61	\$ 4,213,412.25	84,533,226.86
\$ 129,517,544.26		\$ 44,984,317.40	\$ 80,319,814.61	\$ 4,213,412.25	\$ 129,517,544.26
\$ 56,580.77			\$ 18,580.77	\$ 38,000.00	\$ 56,580.77
\$ 56,580.77			\$ 18,580.77	\$ 38,000.00	\$ 56,580.77
\$ 11,625,981.61			\$ 11,622,910.24	\$ 3,071.37	\$ 11,625,981.61
\$ 11,625,981.61			\$ 11,622,910.24	\$ 3,071.37	\$ 11,625,981.61
\$ 16,097,609.56					
			\$ 15,447,500.84	\$ 650,108.72	16,097,609.56
\$ 16,097,609.56			\$ 15,447,500.84	\$ 650,108.72	\$ 16,097,609.56
\$ 134,177,976.32			\$ 127,791,045.42	\$ 6,386,930.90	\$ 134,177,976.32
\$ 134,177,976.32			\$ 127,791,045.42	\$ 6,386,930.90	\$ 134,177,976.32
\$ 155,399.39					
			\$ 155,399.39	\$ 155,399.39	
\$ 155,399.39			\$ 155,399.39	\$ 155,399.39	\$ 155,399.39
\$ 640,285.36					
	771	\$ 640,285.36		\$ 640,285.36	
\$ 640,285.36		\$ 640,285.36		\$ 640,285.36	\$ 640,285.36

Texas Education Agency (701)
Schedule 1A - Expenditures of Federal Awards
For the fiscal year ended August 31, 2025

Federal Grantor/ Pass Through Grantor/ Program Title	NS CFDA I	Agency / University Number	Pass-Through From		Direct Program Amount
			Agency / University Amount	Non-State Entities Amount	
<u>Gaining Early Awareness and Readiness for Undergraduate Programs</u>	84.334S			\$	4,314,264.11
Pass-Through To: Texas A&M University					
Pass-Through To Non-State Entities					
Total	84.334S			\$	4,314,264.11
<u>Rural and Low-Income School Program</u>	84.358B			\$	11,799,635.53
Pass-Through To Non-State Entities					
Total	84.358B			\$	11,799,635.53
<u>English Language Acquisition State Grants</u>	84.365A			\$	143,030,767.15
Pass-Through To: University of Texas at Austin University of Texas at San Antonio					
Pass-Through To Non-State Entities					
Total	84.365A			\$	143,030,767.15
<u>Supporting Effective Instruction State Grants</u>	84.367A			\$	248,240,337.70
Pass-Through To: Texas Juvenile Justice Department Texas Department of Criminal Justice University of Texas at Austin University of Texas at San Antonio Sam Houston State University Stephen F. Austin State University Texas School for the Blind and Visually Impaired Texas School for the Deaf					
Pass-Through To Non-State Entities					
Total	84.367A			\$	248,240,337.70
<u>Grants for State Assessments and Related Activities</u>	84.369A			\$	21,593,614.75
Pass-Through To: University of Texas at Austin University of Texas at San Antonio					
Pass-Through To Non-State Entities					
Total	84.369A			\$	21,593,614.75
<u>Striving Readers/Comprehensive Literacy Development</u>	84.371C			\$	6,360,354.38
Pass-Through To Non-State Entities					
Total	84.371C			\$	6,360,354.38
<u>Statewide Longitudinal Data Systems</u>	84.372A			\$	202,933.64
Pass-Through To: Texas Higher Education Coordinating Board					
Pass-Through To Non-State Entities					
Total	84.372A			\$	202,933.64
<u>School Improvement Fund</u>	84.377A			\$	(179.72)
Pass-Through To Non-State Entities					
Total	84.377A			\$	(179.72)
<u>Student Support and Academic Enrichment Program</u>	84.424A			\$	135,331,697.79
Pass-Through To: University of Texas at Austin University of Texas Tyler Texas School for the Blind and Visually Impaired Texas School for the Deaf					
Pass-Through To Non-State Entities					
Total	84.424A			\$	135,331,697.79
<u>Stronger Connections Grant Program (SCG)</u>	84.424F			\$	22,553,405.98
Pass-Through To Non-State Entities					
Total	84.424F			\$	22,553,405.98
<u>COVID-19 -Discetionary Grants Rethink K-12 Models</u>	84.425B			\$	6,864,386.63
Pass-Through To Non-State Entities					
Total	84.425B			\$	6,864,386.63
COVID-19 - Governors Emergency Education Relief (GEER) Fund	84.425C				
Pass-Through From: Governor- Fiscal		300	\$	3,284,777.55	
Pass-Through To:					
Total	84.425C		\$	3,284,777.55	

Pass-Through To					
Total Pass-Through From and Direct Program	Agency / University Number	Agency / University Amount	Non-State Entities Amount	Expenditures Amount	Total Pass-Through to and Expenditures Amount
\$ 4,314,264.11					
	711	\$ 15,831.08	\$ 2,289,900.59	\$ 2,008,532.44	\$ 15,831.08 4,298,433.03
\$ 4,314,264.11		\$ 15,831.08	\$ 2,289,900.59	\$ 2,008,532.44	\$ 4,314,264.11
\$ 11,799,635.53			\$ 10,974,516.46	\$ 825,119.07	\$ 11,799,635.53
\$ 11,799,635.53			\$ 10,974,516.46	\$ 825,119.07	\$ 11,799,635.53
\$ 143,030,767.15			\$ 137,986,369.28	\$ 5,044,397.87	\$ 143,030,767.15
\$ 143,030,767.15			\$ 137,986,369.28	\$ 5,044,397.87	\$ 143,030,767.15
\$ 248,240,337.70					
	644	\$ 64,522.55		\$ 64,522.55	
	696	67,631.44			67,631.44
	721	49,551.27			49,551.27
	746	(3,023.00)			(3,023.00)
	753	(489.94)			(489.94)
	755	1,175.57			1,175.57
	771	200.00			200.00
	772	11,484.99			11,484.99
			\$ 244,204,809.78	\$ 3,844,475.04	\$ 248,049,284.82
\$ 248,240,337.70		\$ 191,052.88	\$ 244,204,809.78	\$ 3,844,475.04	\$ 248,240,337.70
\$ 21,593,614.75			\$ 3,798,637.00	\$ 17,794,977.75	\$ 21,593,614.75
\$ 21,593,614.75			\$ 3,798,637.00	\$ 17,794,977.75	\$ 21,593,614.75
\$ 6,360,354.38			\$ 6,040,573.18	\$ 319,781.20	\$ 6,360,354.38
\$ 6,360,354.38			\$ 6,040,573.18	\$ 319,781.20	\$ 6,360,354.38
\$ 202,933.64					
	781	\$ 197,008.00		\$ 5,925.64	\$ 197,008.00 5,925.64
\$ 202,933.64		\$ 197,008.00		\$ 5,925.64	\$ 202,933.64
\$ (179.72)			\$ (179.72)		\$ (179.72)
\$ (179.72)			\$ (179.72)		\$ (179.72)
\$ 135,331,697.79					
	721	\$ 59,713.72		\$ 59,713.72	
	750	9,736.42			9,736.42
	771	1,000.00			1,000.00
	772	10,190.00			10,190.00
			\$ 133,298,630.33	\$ 1,952,427.32	\$ 135,251,057.65
\$ 135,331,697.79		\$ 80,640.14	\$ 133,298,630.33	\$ 1,952,427.32	\$ 135,331,697.79
\$ 22,553,405.98			\$ 22,417,257.73	\$ 136,148.25	\$ 22,553,405.98
\$ 22,553,405.98			\$ 22,417,257.73	\$ 136,148.25	\$ 22,553,405.98
\$ 6,864,386.63				\$ 6,864,386.63	\$ 6,864,386.63
\$ 6,864,386.63				\$ 6,864,386.63	\$ 6,864,386.63
\$ 3,284,777.55			\$ 3,284,777.55		\$ 3,284,777.55
\$ 3,284,777.55			\$ 3,284,777.55		\$ 3,284,777.55

Texas Education Agency (701)
Schedule 1A - Expenditures of Federal Awards
For the fiscal year ended August 31, 2025

Federal Grantor/ Pass Through Grantor/ Program Title	NS CFDA Number	Pass-Through From		Non-State Entities Amount	Direct Program Amount
		Agency / University Number	Agency / University Amount		
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D			\$	(3,123,566.75)
Pass-Through To Non-State Entities					
Total	84.425D			\$	(3,123,566.75)
COVID-19 - Coronavirus Response and Relief Supplemental Appropriations Act, 2021 - Emergency Assistance to Non-Public Schools Program	84.425R			\$	5,417,464.28
Total	84.425R			\$	5,417,464.28
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U			\$	330,747,655.47
Pass-Through To: University of Texas Austin University of Texas at Tyler Texas School for the Blind and Visually University of North Texas - Dallas Pass-Through To Non-State Entities					
Total	84.425U			\$	330,747,655.47
COVID-19 - American Rescue Plan - Emergency Assistance to Non-Public Schools	84.425V			\$	19,896,747.79
Pass-Through To Non-State Entities					
Total	84.425V			\$	19,896,747.79
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief - Homeless Children & Youth	84.425W			\$	1,870,345.66
Pass-Through To: University of Texas at Tyler Pass-Through To Non-State Entities					
Total	84.425W			\$	1,870,345.66
Special Education-Grants for Infants and Families	84.181A				
Pass-Through From: Health and Human Services Commission		529	\$ 75,160.52		
Pass-Through To: Texas School for the Deaf Pass-Through To Non-State Entities					
Total	84.181A		\$ 75,160.52	\$	
Totals - U.S. Department of Education			\$ 3,359,938.07	\$	3,176,981,252.95
U.S. Department of Health and Human Services					
<i>Direct Programs:</i>					
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243			\$	1,202,374.07
Pass-Through To: Health and Human Services Commission University of Texas Austin Pass-Through To Non-State Entities					
Total	93.243			\$	1,202,374.07
Developmental Disabilities Basic Support and Advocacy Grants	93.630			\$	6,331,701.90
Pass-Through To: Texas A&M University Texas Tech University University of Texas Health Science Center Texas State University University of Houston - Clear Lake University of North Texas Health Science Center at Fort Worth Pass-Through To Non-State Entities					
Total	93.630			\$	6,331,701.90
Covid 19 - Epidemiology & Laboratory Capacity for Infectious Diseases (ELC)	93.323				
Pass-Through From: Department of State Health Services		537	\$ (244,402.00)		
Pass-Through To: Pass-Through To Non-State Entities					
Total	93.323		\$ (244,402.00)		
Every Student Succeeds Act/Preschool Development Grants	93.434				
Pass-Through From: Texas Workforce Commission		320	\$ 408,387.96		
Pass-Through To Non-State Entities					
Total	93.434		\$ 408,387.96		
Temporary Assistance for Needy Families	93.558				
Pass-Through From: Health and Human Services Commission		529	\$ 4,258,613.87		
Pass-Through To Non-State Entities					
Total	93.558		\$ 4,258,613.87		
Developmental Disabilities Projects of National Significance	93.631			\$ 3,000.00	
Total	93.631			3,000.00	
Totals - U.S. Department of Health and Human Services			\$ 4,422,599.83	3,000.00 \$	7,534,075.97

Pass-Through To					
Total Pass-Through From and Direct Program	Agency / University Number	Agency / University Amount	Non-State Entities Amount	Expenditures Amount	Total Pass-Through to and Expenditures Amount
\$ (3,123,566.75)					0.00
\$ (3,123,566.75)		\$ (3,115,894.66)	\$ (7,672.09)		(3,123,566.75)
\$ 5,417,464.28					
0.00		(5,558.95)	\$ 5,423,023.23		5,417,464.28
\$ 5,417,464.28		(5,558.95)	\$ 5,423,023.23		5,417,464.28
\$ 330,747,655.47					
	721	\$ 908.84		\$ 908.84	
	750	86,563.87		86,563.87	
	771	5,633.99		5,633.99	
	773	422,481.19		422,481.19	
		\$ 275,148,846.86	\$ 55,083,220.72		330,232,067.58
\$ 330,747,655.47		\$ 515,587.89	\$ 275,148,846.86	\$ 55,083,220.72	\$ 330,747,655.47
\$ 19,896,747.79					
			\$ 19,896,747.79		19,896,747.79
\$ 19,896,747.79			\$ 19,896,747.79		19,896,747.79
\$ 1,870,345.66					
	750	\$ 157.92		\$ 157.92	
		\$ 1,870,187.74			1,870,187.74
\$ 1,870,345.66		\$ 157.92	\$ 1,870,187.74		1,870,345.66
\$ 75,160.52					
	772	\$ 7,323.21		\$ 7,323.21	
		\$ 67,837.31		67,837.31	
\$ 75,160.52		\$ 7,323.21	\$ 67,837.31		75,160.52
\$ 3,180,341,191.02		\$ 51,396,188.17	\$ 2,977,154,716.36	\$ 151,790,286.49	\$ 3,180,341,191.02
\$ 1,202,374.07					
	529	\$ 63,524.06		\$ 63,524.06	
	721	284,357.74		284,357.74	
		\$ 709,731.41	\$ 144,760.86		854,492.27
\$ 1,202,374.07		347,881.80	\$ 709,731.41	\$ 144,760.86	\$ 1,202,374.07
\$ 6,331,701.90					
	711	\$ 81,876.07		\$ 81,876.07	
	733	247,555.46		247,555.46	
	744	363,873.89		363,873.89	
	754	99,996.91		99,996.91	
	759	143,296.24		143,296.24	
	763	202,636.67		202,636.67	
		\$ 2,402,667.88	\$ 2,789,798.78		5,192,466.66
\$ 6,331,701.90		\$ 1,139,235.24	\$ 2,402,667.88	\$ 2,789,798.78	\$ 6,331,701.90
\$ (244,402.00)					
		\$ (244,402.00)		\$ (244,402.00)	
\$ (244,402.00)			\$ (244,402.00)		(244,402.00)
\$ 408,387.96					
		\$ 59,868.42	\$ 348,519.54		408,387.96
\$ 408,387.96		\$ 59,868.42	\$ 348,519.54		408,387.96
\$ 4,258,613.87					0.00
\$ 4,258,613.87		\$ 3,794,899.53	\$ 463,714.34		4,258,613.87
\$ 3,000.00					
		\$ 3,000.00		\$ 3,000.00	
\$ 3,000.00			\$ 3,000.00		3,000.00
\$ 11,959,675.80		\$ 1,487,117.04	\$ 6,725,765.24	\$ 3,746,793.52	\$ 11,959,675.80

Texas Education Agency (701)
Schedule 1A - Expenditures of Federal Awards
For the fiscal year ended August 31, 2025

Federal Grantor/ Pass Through Grantor/ Program Title	NS CFDA	Agency / University Number	Pass-Through From		
			Agency / University Amount	Non-State Entities Amount	Direct Program Amount
CCDF Cluster					
U.S. Department of Health and Human Services					
Pass-Through Programs:					
Child Care and Development Block Grant	93.575				
Pass-Through From:					
Texas Workforce Commission		320	\$	12,040,775.58	
Pass-Through To:					
Texas A&M University System					
University of Texas Health Science Center at Houston					
Pass-Through To Non-State Entities					
Total	93.575		\$	12,040,775.58	
Totals - U.S. Department of Health and Human Services			\$	12,040,775.58	
Child Nutrition Cluster					
U.S. Department of Agriculture					
Direct Programs:					
School Breakfast Program	10.553			\$	714,384,871.50
Pass-Through To:					
University of Texas at Austin					
Pass-Through To Non-State Entities					
Total	10.553			\$	714,384,871.50
National School Lunch Program	10.555			\$	1,929,459,469.27
Pass-Through To:					
University of Texas at Austin					
Pass-Through To Non-State Entities					
Total	10.555			\$	1,929,459,469.27
Totals - U.S. Department of Agriculture				\$	2,643,844,340.77
Special Education (IDEA) Cluster					
U.S. Department of Education					
Direct Programs:					
Special Education - Grants to States	84.027A			\$	1,239,705,153.19
Pass-Through To:					
Texas Juvenile Justice Department					
Texas Department of Criminal Justice					
University of Texas at Austin					
University of Houston					
University of Texas at Tyler					
Sam Houston State University					
Stephen F. Austin State University					
Texas School for the Blind and Visually Impaired					
Texas School for the Deaf					
Pass-Through To Non-State Entities					
Total	84.027A			\$	1,239,705,153.19
Special Education (IDEA) Cluster					
U.S. Department of Education					
Direct Programs:					
Special Education - Grants to States	84.027X			\$	(62,635.98)
Pass-Through To Non-State Entities					
Total	84.027X			\$	(62,635.98)
Special Education - Preschool Grants	84.173A			\$	27,967,375.37
Pass-Through To:					
University of Texas at Austin					
Texas School for the Deaf					
Pass-Through To Non-State Entities					
Total	84.173A			\$	27,967,375.37
Covid-19 -Individuals with Disabilities Education Act/American Rescue Plan Act of 2021					
(ARP)	84.173X			\$	(3,601.46)
Pass-Through To:					
Pass-Through To Non-State Entities					
Total	84.173X			\$	(3,601.46)
Totals - U.S. Department of Education				\$	1,267,606,291.12
WIOA Cluster					
U.S. Department of Labor					
Pass-Through From					
WIOA Adult Program	17.258				
Pass-Through From:					
Texas Workforce Commission		320	\$	(4,668.99)	
Pass-Through To Non-State Entities					
Total	17.258		\$	(4,668.99)	
Pass-Through From					
WIOA Dislocated Worker Formula Grants	17.278				
Pass-Through From:					
Texas Workforce Commission		320	\$	1,265,912.49	
Pass-Through To Non-State Entities					
Total	17.278		\$	1,265,912.49	
Totals - U.S. Department of Labor			\$	1,261,243.50	
TOTAL FEDERAL FINANCIAL ASSISTANCE			\$	21,763,040.61	\$ 3,000.00 \$ 7,095,965,960.81

Pass-Through To					
Total Pass-Through From and Direct Program	Agency / University Number	Agency / University Amount	Non-State Entities Amount	Expenditures Amount	Total Pass-Through to and Expenditures Amount
\$ 12,040,775.58					
	710	\$ 862,658.56			862,658.56
	744	11,178,117.02		\$	11,178,117.02
					0.00
\$ 12,040,775.58		\$ 12,040,775.58		\$	12,040,775.58
\$ 12,040,775.58		\$ 12,040,775.58		\$	12,040,775.58
\$ 714,384,871.50					
	721	\$ 43,572.05		\$	43,572.05
			\$ 714,341,299.45		714,341,299.45
\$ 714,384,871.50		\$ 43,572.05	\$ 714,341,299.45	\$	714,384,871.50
\$ 1,929,459,469.27					
	721	\$ 107,865.52		\$	107,865.52
			\$ 1,929,351,603.75		1,929,351,603.75
\$ 1,929,459,469.27		\$ 107,865.52	\$ 1,929,351,603.75	\$	1,929,459,469.27
\$ 2,643,844,340.77		\$ 151,437.57	\$ 2,643,692,903.20	\$	2,643,844,340.77
\$ 1,239,705,153.19					
	644	\$ 581,954.00			581,954.00
	696	565,263.61			565,263.61
	721	2,250,718.28			2,250,718.28
	730	36,353.77			36,353.77
	750	173,953.73			173,953.73
	753	60,698.80			60,698.80
	755	29,041.20			29,041.20
	771	8,804,724.43			8,804,724.43
	772	1,150,972.87			1,150,972.87
			\$ 1,188,280,615.90	\$ 37,770,856.60	1,226,051,472.50
\$ 1,239,705,153.19		\$ 13,653,680.69	\$ 1,188,280,615.90	\$ 37,770,856.60	\$ 1,239,705,153.19
\$ (62,635.98)					
			\$ (62,635.98)		(62,635.98)
\$ (62,635.98)			\$ (62,635.98)	\$	(62,635.98)
\$ 27,967,375.37					
	721	\$ 3,907.53		\$	3,907.53
	772	17,219.00			17,219.00
			\$ 27,908,806.42	\$ 37,442.42	27,946,248.84
\$ 27,967,375.37		\$ 21,126.53	\$ 27,908,806.42	\$ 37,442.42	\$ 27,967,375.37
\$ (3,601.46)					
			\$ (3,601.46)		(3,601.46)
\$ (3,601.46)			\$ (3,601.46)	\$	(3,601.46)
\$ 1,267,606,291.12		\$ 13,674,807.22	\$ 1,216,123,184.88	\$ 37,808,299.02	\$ 1,267,606,291.12
(4,668.99)					
			(4,668.99)		(4,668.99)
\$ (4,668.99)			(4,668.99)	\$	(4,668.99)
\$ 1,265,912.49					
			\$ 1,265,912.49	\$	1,265,912.49
\$ 1,265,912.49			\$ 1,265,912.49	\$	1,265,912.49
\$ 1,261,243.50			\$ 1,261,243.50	\$	1,265,912.49
\$ 7,117,732,001.42		\$ 78,750,325.58	\$ 6,845,636,296.81	\$ 193,345,379.03	\$ 7,117,732,001.42

(UNAUDITED)

Texas Education Agency (701)
Schedule 1A
Expenditures of Federal Awards
For the fiscal year ended August 31, 2025

Note 1 - Non-Monetary Assistance

Not applicable.

Note 2 - Reconciliation

Below is a reconciliation of the total federal pass-through and federal expenditures as reported on the Schedule of Assistance to the total of federal revenues and federal grant pass-through revenues as reported in the general-purpose financial statements. Generally, federal funds are not earned until expended; therefore, federal revenues equal federal expenditures for the reporting period.

Per Combined Statement of Revenues, Expenditures, and Changes in Fund
Balance/Statement of Net Activities - Governmental Fund Types (Exh. II):

Federal Revenues (Exh. II)	\$ 7,095,968,960.81
Federal Pass-Through Revenues (Exh. II)	<u>21,763,040.61</u>
Total Pass-Through and Direct Expenditures per Federal Schedule	<u><u>\$ 7,117,732,001.42</u></u>

Note 3 - Student Loans

Not applicable.

Note 4 (deleted by Comptroller)

Not applicable.

Note 5 - Unemployment Insurance Funds

Not applicable.

Note 6 - Rebates from the Special Supplemental Food Program for Women, Infant and Children (WIC)

Not applicable.

Note 7 - Federal Unearned Revenue

Not applicable.

(UNAUDITED)

Texas Education Agency (701)
Schedule 1A
Expenditures of Federal Awards
For the fiscal year ended August 31, 2025

Note 8 - Disaster Grants - Public Assistance

Not applicable.

Note 9 - Economic Adjustment Assistance

Not applicable.

Note 10 - Ten Percent de Minimis Indirect Cost Rate

TEA does not use the 10 percent de minimis indirect cost rate.

Note 11- Donations from Federal Assistance

Not applicable.

Note 12- Funding Sources within the CCDF Cluster

Not applicable.

Note 13- EHV Program Funding

Not applicable.

(UNAUDITED)

Texas Education Agency (701)
Schedule 1B
Schedule of State Grant Pass-Throughs From/To State Agencies
For the Year Ended August 31, 2025

Pass-Through From/To	Agency	Number	Pass-Through Amount
<u>Pass-Through To:</u>			
Available School Fund - Per Capita			
Texas Juvenile Justice Department	644	\$	410,409.00
University of Texas at Austin	721		836,370.00
Texas Tech University	733		430,651.00
Lamar University	734		47,938.00
University of Texas Rio Grande Valley	746		132,135.00
University of Texas at Tyler	750		599,966.00
University of North Texas	752		184,956.00
Sam Houston State University	753		269,157.00
Stephen F. Austin State University	755		153,648.00
Texas A&M International University	761		51,687.00
Texas School for the Blind and Visually Impaired	771		78,157.00
Texas School for the Deaf	772		310,831.00
		\$	3,505,905.00
Council Early Childhood Intervention			
Health and Human Services Commission	529	\$	16,498,102.00
		\$	16,498,102.00
Early Childhood School Readiness			
University of Texas Health Science Center at Houston	744	\$	3,654,812.43
		\$	3,654,812.43
Foundation School Program (FSP) - Formula			
Texas Military Department	401	\$	1,429,500.00
University of Texas at Austin	721		20,325,787.00
Texas Tech University	733		4,390,557.19
Lamar University	734		1,025,476.00
University of Texas of the Permian Basin	742		0.00
University of Texas Rio Grande Valley	746		2,048,844.00
University of Texas at Tyler	750		11,613,148.00
University of North Texas	752		2,302,560.00
Sam Houston State University	753		3,628,882.00
Stephen F. Austin State University	755		2,264,526.16
Texas A&M International University	761		867,918.00
Texas School for the Blind and Visually Impaired	771		1,743,569.00
Texas School for the Deaf	772		10,572,984.00
		\$	62,213,751.35
FSP - Texas Juvenile Justice Department			
Texas Juvenile Justice Department	644	\$	3,955,189.00
		\$	3,955,189.00
FSP - Windham School District			
Texas Department of Criminal Justice	696	\$	68,217,086.00
		\$	68,217,086.00
Juvenile Justice Alternative Education Program			
Texas Juvenile Justice Department	644	\$	6,427,070.00
		\$	6,427,070.00
School Lunch Matching			
University of Texas at Austin	721	\$	952.38
		\$	952.38

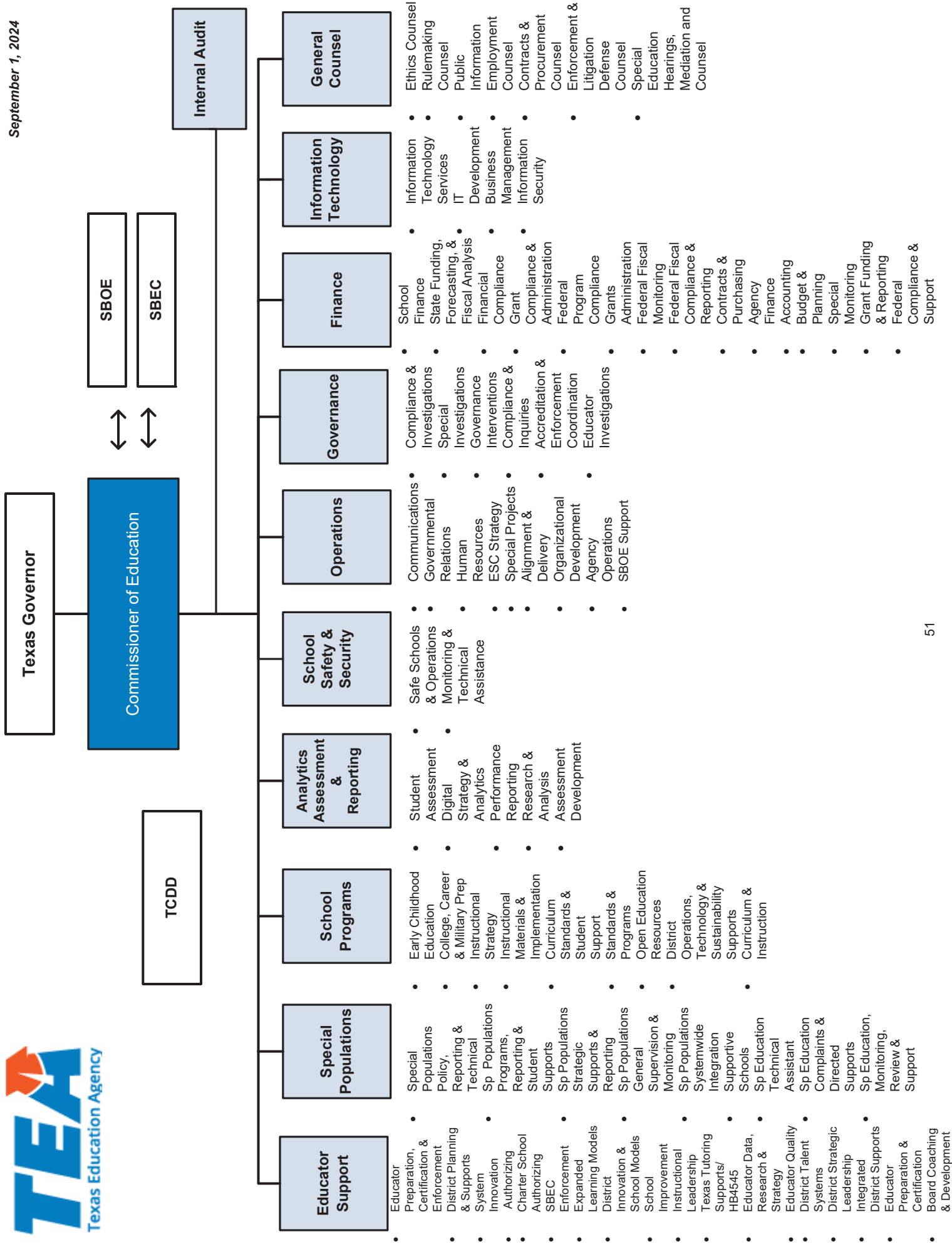
(UNAUDITED)

Texas Education Agency (701)
Schedule 1B
Schedule of State Grant Pass-Throughs From/To State Agencies
For the Year Ended August 31, 2025

Pass-Through From/To	Agency	Number	Pass-Through Amount
Students With Visual Impairment			
Texas School for the Blind and Visually Impaired	771	\$	119,065.70
		\$	119,065.70
Instructional Materials Allotment			
Texas Juvenile Justice Department	644	\$	5,348.05
Texas Department of Criminal Justice	696		1,005,430.00
Texas Tech University	733		103,625.00
University of Texas at Tyler	750		115,446.45
Sam Houston State University	753		81,902.44
Stephen F. Austin State University, a member of The University of Texas System	755		2,627.30
Texas School for the Blind and Visually Impaired	771		4,169.10
		\$	1,318,548.34
OnRamp Dual Enrollment Course			
Texas School for the Deaf	721	\$	3,790,061.29
		\$	3,790,061.29
TX Military-Connected Children			
Texas School for the Blind and Visually Impaired	772		350.00
		\$	350.00
School Safety Standards			
University of Texas at Austin	721	\$	72,256.10
University of Texas at Tyler	750		23,701.72
Stephen F. Austin State University, a member of The University of Texas System	755		29,099.92
Texas School for the Blind and Visually Impaired	771		54,268.85
Texas School for the Deaf	772		199,970.00
		\$	379,296.59
Summer CTE Education Grant			
Stephen F. Austin State University, a member of The University of Texas System	755	\$	4,000.00
		\$	4,000.00
Provide Free Reading Instrument			
University of Houston	730		42,068.94
University of Texas Health Science Center at Houston	744	\$	17,146.40
		\$	59,215.34
Develop Kinder Entry Assessment			
University of Texas Health Science Center at Houston	744	\$	667,730.27
		\$	667,730.27
School Safety SB300			
Texas Juvenile Justice Department	644	\$	3,106.40
University of Texas at Austin	721		300,000.00
University of Texas at Tyler	750		117,738.28
Sam Houston State University	753		109,216.32
Stephen F. Austin State University, a member of The University of Texas System	755		136,984.52
Texas School for the Blind and Visually Impaired	771		52,553.10
Texas School for the Deaf	772		26,250.59
		\$	745,849.21
		\$	171,556,984.90

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ADDENDA



Dallam	Sherman	Hansford	Ochiltree	Lipscomb
Harley	Moore	Hutchinson	Roberts	Hempill
Oldham	Potter	Armstrong	Gray	Wheeler
Deaf Smith	Randall	Donley	Collingsworth	
Farmer	Castro	Swisher	Hall	Childress



STATE BOARD OF EDUCATION

(January 2025)

(State Board for Career and Technology Education)

AARON KINSEY, Midland
Chair of the State Board of Education
District 15

PAM LITTLE, Fairview
Vice Chair of the State Board of Education
District 12

WILL HICKMAN, Houston
Secretary of the State Board of Education
District 6

Board Members

GUSTAVO REVELES, El Paso
District 1

AUDREY YOUNG, Trinity
District 8

LJ FRANCIS, Corpus Christi
District 2

KEVEN ELLIS, Lufkin
District 9

MARISA PEREZ-DIAZ, San Antonio
District 3

TOM MAYNARD, Florence
District 10

STACI CHILDS, Houston
District 4

BRANDON HALL, Aledo
District 11

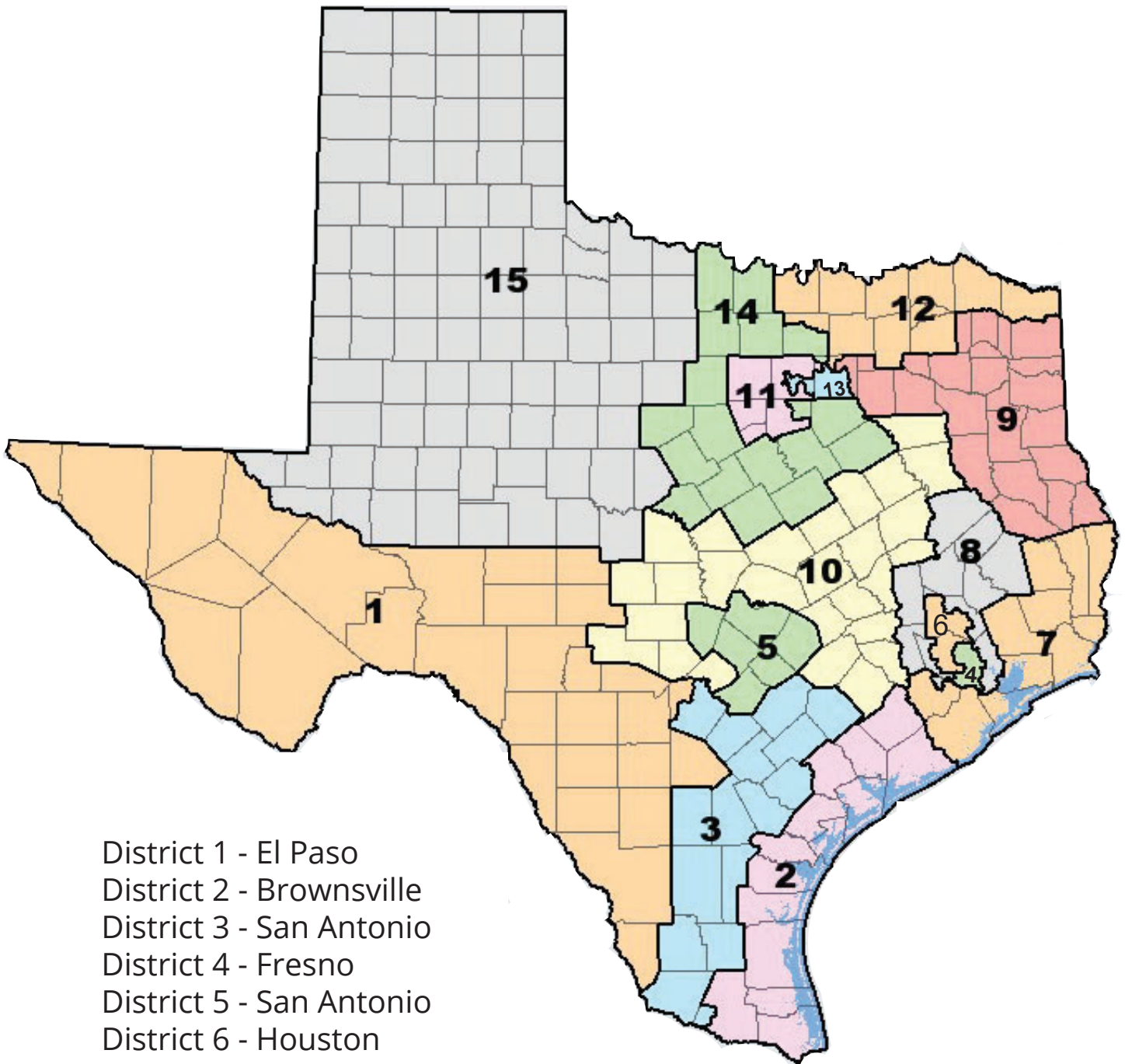
REBECCA BELL-METEREAU
San Marcos, District 5

TIFFANY CLARK, DeSoto
District 13

JULIE PICKREN, Pearland
District 7

EVELYN BROOKS, Frisco
District 14

Texas State Board of Education Districts



- District 1 - El Paso
- District 2 - Brownsville
- District 3 - San Antonio
- District 4 - Fresno
- District 5 - San Antonio
- District 6 - Houston
- District 7 - Beaumont
- District 8 - The Woodlands
- District 9 - Mount Pleasant
- District 10 - Florence
- District 11 - Fort Worth
- District 12 - Dallas
- District 13 - Dallas
- District 14 - Waco
- District 15 - Amarillo