



To the Administrator Addressed

Commissioner Mike Morath

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DATE:	October 16, 2025
SUBJECT:	FY2025 Annual Financial Report Submission and Audit Application Transition
CATEGORY:	Annual Financial Report Submissions and Federal Single Audit
NEXT STEPS:	Share with the appropriate staff

The Texas Education Agency is updating the Audit application used to submit and upload annual audit financial information in Texas Education Agency Login (TEAL); the new audit application will be referred to as Audit 2.0.

Due to delays in both the development of the new Audit 2.0 application within TEAL and the release of the final 2025 Office of Management and Budget (OMB) Compliance Supplement, November 27, 2025, submission deadline for fiscal year (FY) 2025 annual financial reports will no longer apply to entities with a June 30 fiscal year-end for this year's submission only.

At present, the revised submission deadline for all FY2025 annual financial reports to the Texas Education Agency (TEA) is **February 27, 2026**. The new Audit 2.0 application will be available for submissions beginning on **January 15, 2026**. This applies to charter schools, education service centers (ESCs) and independent school districts. This will also be the deadline for indicator 1 in the Financial Integrity Rating System of Texas (FIRST) for 2025-2026 Financial Accountability Ratings.

Please note:

- The 2025 OMB Compliance Supplement remains unreleased. Auditors are advised to withhold issuance of final Single Audit reports until the official supplement is published. No release date has been announced.
- TEA anticipates a soft launch of Audit 2.0 on December 12, 2025, limited to select entities. Full access for all remaining districts and ESCs will be on **January 15, 2026**.
- As the February deadline approaches, TEA will reassess the timeline for entities subject to Single Audit requirements if the OMB supplement remains unavailable.
- The TSDS PEIMS Mid-Year Submission due dates will remain as published in the Texas Education Data Standards:
 - PEIMS Mid-Year First Submission Due Date: January 22, 2026
 - PEIMS Mid-Year Resubmission Due Date: February 12, 2026

Transition to Audit 2.0

- All users must apply for access to the new Audit 2.0 application via TEAL beginning November 1, 2025.

- Role assignments in Audit 2.0 will mirror those in the legacy Audit system
- The legacy Audit application will remain open for FY2024-related submissions but will not accept FY2025 reports.
- For compliance and retention purposes, the legacy system will remain accessible in view-only mode for a minimum of ten years, with documents phased out annually thereafter.

We recommend that financial and audit teams begin preparing for the transition to Audit 2.0 and monitor TEA communications for updates on the OMB supplement and audit submission guidance.

Support

Questions about this correspondence can be submitted to schoolaudits@tea.texas.gov or financialaccountability@tea.texas.gov.