Texas Education Agency

To the Administrator Addressed

Commissioner Mike Morath

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DATE:	**October 1, 2026**
SUBJECT:	**FY2026 Annual Financial Report With a Federal Single Audit**
CATEGORY:	**Annual Financial Report With a Federal Single Audit**
NEXT STEPS:	**Share with Finance and Business Staff**

Due to the delayed release of the final 2026 Office of Management and Budget (OMB) Compliance Supplement, the submission deadline for the **Annual Comprehensive Financial Report (AFR or ACFR)** will be extended for charter schools and school districts that are required to undergo a Federal Single Audit. The deadline for your Annual Financial Report (AFR) submission to TEA will be extended to 30 days after the release of the final 2026 Compliance Supplement.

Title 2 of the Code of Federal Regulations (**2 CFR 200.501)** now requires a federal single audit when your total combined federal expenditure amount is **$1,000,000 or more** during your fiscal year.

School systems that are required to have a Federal Single Audit should wait until the 2026 Compliance Supplement is released before having their auditor present the single audit report to the school board. If a charter school or school district is required to have a Federal Single Audit, the single audit report must be dated after the release of the final 2026 Compliance Supplement.

A school board may approve the AFR before the final 2026 Compliance Supplement is released and before the single audit is completed. However, once the final 2026 Compliance Supplement is released and the single audit is completed, the board must approve the completed single audit report. This approval may occur at the same meeting in which the AFR is approved or, if the AFR was previously approved, at a subsequent board meeting. In the latter case, the school system must submit an additional signed board certificate documenting the board's approval of the completed single audit report.

Additional guidance will be provided for school systems with an August 31, 2026, fiscal year-end, if the 2026 OMB Compliance Supplement is not released by the end of December 2026.

In addition, the Federal Single Audit must be submitted to the Federal Audit Clearinghouse (FAC) within 30 calendar days after receiving the audit report or nine months after the end of the audit period (whichever is earlier).

The due dates have not changed for AFRs that do not require a Federal Single Audit. Those dates remain unchanged:

- If a district's fiscal year ends on **June 30, 2026**, then the ACFR is due **November 27, 2026**.
- If a district's fiscal year ends on **August 31, 2026**, then the ACFR is due **January 28, 2027**.

The Audit 2.0 application is scheduled to open for all users on **November 1, 2026**.

Support

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