



TEXAS ANIMAL HEALTH COMMISSION
AUSTIN, TEXAS

ANNUAL FINANCIAL REPORT
August 31, 2025

Lewis R. Dinges, D.V.M.
Executive Director

ANNUAL FINANCIAL REPORT
TEXAS ANIMAL HEALTH COMMISSION
Austin, Texas
For The Fiscal Year Ended August 31, 2025

Lewis R. Dinges, D.V.M.
EXECUTIVE DIRECTOR



Office of the State Veterinarian

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October 1, 2025

Honorable Greg Abbott, Governor
Honorable Glenn Hegar, Texas Comptroller
John McGeady, Director, Legislative Budget Board
Lisa Collier, First Assistant State Auditor

Ladies and Gentlemen:

We are pleased to submit the annual financial report of the Texas Animal Health Commission for the year ended Aug. 31, 2025, in compliance with Texas Government Code Annotated, Section 2101.011, and in accordance with the requirements established by the Texas Comptroller of Public Accounts.

Due to the statewide requirements embedded in Governmental Accounting Standards Board (GASB) 34, 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 Comprehensive Annual Financial Report (CAFR); 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 Paula Andrews at 512-719-0754. Mrs. Andrews may also be contacted with questions related to the Schedule of Expenditures of Federal Awards.

Sincerely,

Lewis R. Dinges, DVM
Executive Director and State Veterinarian

COMMISSIONERS

Jimmie Ruth Evans
Melanie Johnson, Ed.D.
Ken Jordan
Barret J. Klein
T.J. Klein
Joe L. Leathers

Thomas "Tommy" Oates
Joseph G. "Joe" Osterkamp
Wendee L. Payne, Ph.D.
Kynan Sturgess, DVM
Johnny Trotter
Benjamin Turner, Ph.D.

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Sample Agency
Exhibit I — Combined Balance Sheet/Statement of Net Position — Governmental Funds
August 31, 2025

Combined Balance Sheet/Statement of Net Position	General Funds	Governmental Funds Total	Capital Assets	Long-Term Liabilities	Other Adjustments	Statement of Net Position
ASSETS						
Current Assets:						
Cash and Cash Equivalents (Note 3)						
Cash on Hand	\$	\$	\$	\$	\$	\$
Cash in Bank		26,000.00	26,000.00			26,000.00
Cash in Transit/Reimburse from Treasury						
Cash in State Treasury		1,531.46	1,531.46			1,531.46
Short Term Investments (Note 3)						
Securities Lending Collateral						
Legislative Appropriations		5,295,191.13	5,295,191.13			5,295,191.13
Receivables from:						
Accounts						
Taxes						
Federal						
Leases						
Investment Trades						
Other Intergovernmental						
Interest and Dividends						
Gifts, Pledges and Donations						
Other						
Due From Other Funds (Note 12)						
Due From Other Agencies (Note 12)						
Interfund Receivable (Note 12)						
Consumable Inventories						
Merchandise Inventories						
Prepaid Items						
Loans and Contracts						
Restricted:						
Cash and Cash Equivalents (Note 3)						
Cash on Hand						
Cash in Bank						
Cash in Transit/Reimburse from Treasury						
Cash in State Treasury						
Other Current Assets						
Total Current Assets		5,322,722.59	5,322,722.59			5,322,722.59
Non-Current Assets:						
Gifts, Pledges and Donations						
Interfund Receivable (Note 12)						
Internal Balances (Note 12)						
Derivative Instruments (Notes 3, 7, 15)						
Restricted:						
Cash and Cash Equivalents (Note 3)						
Cash on Hand						
Cash in Bank						
Cash in Transit/Reimburse from Treasury						
Cash in State Treasury						
Receivables						
Investments (Note 3)						
Loans and Contracts						
Other Assets						
Hedging Derivative Asset (Note 7)						
Intangible Assets – PPP's (Note 27)						
Capital Assets (Note 2):						
Non-Depreciable or Non-Amortizable						
Depreciable or Amortizable, Net			8,157,341.56			8,157,341.56
Other Non-Current Assets						
Total Non-Current Assets			8,157,341.56			8,157,341.56
Total Assets		5,322,722.59	5,322,722.59	8,157,341.56		13,480,064.15
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Outflows of Resources (Note 28)						
Total Deferred Outflows of Resources						
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Current Liabilities:						
Payables from:						
Accounts	\$	478,057.65	478,057.65	\$	\$	478,057.65
Investment Trade						
Other Intergovernmental						
Payroll		1,459,428.20	1,459,428.20			1,459,428.20
Federal						
Interest				10,373.36		10,373.36
Contracts						
Tax Refunds (Note 23)						

Sample Agency
Exhibit I — Combined Balance Sheet/Statement of Net Position — Governmental Funds
August 31, 2025

Combined Balance Sheet/Statement of Net Position	General Funds	Governmental Funds Total	Capital Assets	Long-Term Liabilities	Other Adjustments	Statement of Net Position
Other						
Contracts Payable-Retained Percentage Due To Other Funds (Note 12)						
Due To Other Agencies (Note 12)						
Interfund Payable (Note 12)						
Unearned Revenues						
Obligations/Reverse Repurchase Agreement						
Obligations Under Securities Lending						
Short Term Debt						
Employees' Compensable Leave (Note 5)				1,574,812.11		1,574,812.11
Claims and Judgments (Note 5)						
Pollution Remediation Obligations (Note 5)						
Asset Retirement Obligations (Note 5)						
Right to Use Lease Obligations (Note 5, 8)				569,716.47		569,716.47
Right to Use Subscription Obligations (Note 5, 8)						
Notes and Loans Payable (Note 5)						
Revenue Bonds Payable (Note 5, 6)						
General Obligation Bonds Payable (Note 5, 6)						
Pensions (Note 9)						
OPEB (Note 11)						
Liabilities Payable from Restricted Assets						
Other Current Liabilities						
Total Current Liabilities	1,937,485.85	1,937,485.85		2,154,901.94		4,092,387.79
Non-Current Liabilities						
Interfund Payable						
Employees' Compensable Leave (Note 5)				1,141,201.77		1,141,201.77
Claims and Judgments (Note 5)						
Pollution Remediation Obligations (Note 5)						
Asset Retirement Obligations (Note 5)						
Right to Use Lease Obligations (Note 5, 8)				3,799,055.30		3,799,055.30
Right to Use Subscription Obligations (Note 5, 8)						
Derivative Instruments (Note 3, 7, 16)						
Notes and Loans Payable (Note 5)						
Revenue Bonds Payable (Note 5, 6)						
Liabilities Payable from Restricted Assets						
Assets Held for Others						
Other Non-Current Liabilities						
Total Non-Current Liabilities				4,940,257.07		4,940,257.07
Total Liabilities	1,937,485.85	1,937,485.85		7,095,159.01		9,032,644.86
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows of Resources (Note 28)						
Total Deferred Inflows of Resources						
Fund Financial Statement						
Fund Balances (Deficits):						
Nonspendable						
Restricted						
Committed						
Assigned						
Unassigned	3,385,236.74	3,385,236.74				3,385,236.74
Total Fund Balances	3,385,236.74	3,385,236.74				3,385,236.74
Total Liabilities, Deferred Inflows of Resources and Fund Balances	5,322,722.59	5,322,722.59				
Government-Wide Statement of Net Position						
Net Position						
Net Investment in Capital Assets			8,157,341.56	(2,437,045.51)		5,720,296.05
Restricted For						
Debt Service						
Capital Projects						
Funds Held as Permanent Investments:						
Expendable						
Nonexpendable						
Other						
Unrestricted				(4,658,113.50)		(4,658,113.50)
Total Net Position			8,157,341.56	(7,095,159.01)		4,447,419.29

Texas Animal Health Commission, Agency 554
Exhibit II — Combined Statement of Revenues, Expenditures and Changes in Fund Balances/
Statement of Activities — Governmental Funds
For the Fiscal Year Ended August 31, 2025

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

	General Funds	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Other Adjustments	Statement of Activities
REVENUES						
Legislative Appropriations						
Original Appropriations (GR)	17,452,652.00	17,452,652.00				17,452,652.00
Additional Appropriations (GR)	3,218,378.53	3,218,378.53				3,218,378.53
Taxes (GR)						
Federal Revenue (PR - Operating or Capital)	4,058,308.30	4,058,308.30				4,058,308.30
Federal Grant Pass-Through Revenue (GR)						
License, Fees & Permits (PR)	717,000.97	717,000.97				717,000.97
Other (GR)	9,006.46	9,006.46				9,006.46
Total Revenues	25,455,346.26	25,455,346.26				25,455,346.26
EXPENDITURES						
Salaries and Wages	13,691,122.50	13,691,122.50		250,301.28		13,941,423.78
Payroll Related Costs	4,035,101.45	4,035,101.45				4,035,101.45
Professional Fees and Services	169,483.76	169,483.76				169,483.76
Travel	602,691.79	602,691.79				602,691.79
Materials and Supplies	2,500,494.99	2,500,494.99				2,500,494.99
Communication and Utilities	427,283.86	427,283.86				427,283.86
Repairs and Maintenance	740,528.25	740,528.25				740,528.25
Rentals and Leases	281,651.82	281,651.82				281,651.82
Printing and Reproduction	21,282.41	21,282.41				21,282.41
Federal Grant Pass-Through Expenditures						
State Grant Pass-Through Expenditures						
Other Expenditures	1,192,318.46	1,192,318.46				1,192,318.46
Debt Service:						
Principal - Leases	552,675.26	552,675.26		(552,675.26)		
Principal - Subscriptions						
Principal - Other General Long Term Debt						
Interest				4,412.56		4,412.56
Capital Outlay	2,657,406.62	2,657,406.62	(2,657,406.62)			
Depreciation and Amortization Expense			1,461,652.96			1,461,652.96
Total Expenditures/Expenses	26,872,041.17	26,872,041.17	(1,195,753.66)	(297,961.42)		25,378,326.09
Excess (Deficiency) of Revenues over (under) Expenditures	(1,416,694.91)	(1,416,694.91)	1,195,753.66	297,961.42		77,020.17
OTHER FINANCING SOURCES (USES)						
Transfer In						
Transfer Out	(345,780.41)	(345,780.41)	(6,771.43)			(352,551.84)
Long Term Debt Issued						
Bond Issued for Refunding						
Premium/Discount on Bonds Issued						
Payment to Escrow for Refunding						
Increase in Obligations - Leases	1,633,651.92	1,633,651.92		(1,633,651.92)		
Increase in Obligations - Subscriptions						
Sale of Capital Assets	56,428.57	56,428.57	(56,428.57)			
Gain (Loss) on Sale of Capital Assets			59,846.62			59,846.62
Insurance Recoveries						
Other Financing Sources	76,064.58	76,064.58				74,064.58
Legislative Financing Uses						
Total Other Financing Sources (Uses)	1,420,364.66	1,420,364.66	(3,353.38)	(1,633,651.92)		(216,640.64)
SPECIAL ITEMS						
Proceeds from Sale of Park Land						
EXTRAORDINARY ITEMS						
Natural Disaster-Hurricane						
Net Change in Fund Balances/Net Position	3,669.75	3,669.75				(139,620.47)
Fund Financial Statement - Fund Balances						
Fund Balances, September 1, 2024	3,378,167.02	3,378,167.02				3,378,167.02
Restatements						
Fund Balances, September 1, 2024, as Restated	3,378,167.02	3,378,167.02				3,378,167.02
Appropriations Lapsed	3,399.97	3,399.97				3,399.97
Fund Balances, August 31, 2025	3,385,236.74	3,385,236.74				3,241,946.52
Government-Wide Statement of Net Position						
Net Position/Net Change in Net Position		3,385,236.74	1,192,400.28	(1,335,690.50)		3,241,946.52
Net Position, September 1, 2024			6,093,644.52	(4,905,825.88)		1,187,818.64
Restatements			871,296.76	(853,642.63)		17,654.13
Net Position, September 1, 2024, as Restated			6,964,941.28	(5,759,468.51)		1,205,472.77
Net Position, August 31, 2025		3,385,236.74	8,157,341.56	(7,095,159.01)		4,447,419.29

TEXAS ANIMAL HEALTH COMMISSION (554)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Not Required

NOTE 2: CAPITAL ASSETS

A summary of changes in General Fixed Assets for the year ended August 31, 2025, is presented below

Governmental Activities		Balance 9/1/2024	Adjustments	Additions	Deletions	Balance 8/31/2025	Difference
Agency: 554 Texas Animal Health							
Non-depreciable/Non-amortizable Assets							
BC Land and Land Improvements	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BC Infrastructure	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BC Construction in Progress	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BC Other Tangible Capital Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BC Land use Rights	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BC Other Intangible Capital Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Non-depreciable/Non-amortizable	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Depreciable Assets							
BC Building and Building Imprvmnts	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BC Infrastructure	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BC Facilities and Other Improvements	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BC Furniture and Equipment	2,753,591.98	0.00	89,628.29	-54,762.50	2,788,457.77	0.00	0.00
BC Vehicles, Boats, and Aircraft	5,775,685.17	0.00	934,126.41	-174,892.00	6,534,919.58	0.00	0.00
BC Other Capital Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Depreciable Assets	8,529,277.15	0.00	1,023,754.70	-229,654.50	9,323,377.35	0.00	0.00
Accumulated Depreciation							
BC AID Buildings and Improvements	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BC AID Infrastructure	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BC AID Facilities and Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BC AID Furniture and Equipment	-1,661,761.40	0.00	-222,433.76	51,409.12	-1,832,786.04	0.00	0.00
BC AID Vehicles, Boats, and Aircraft	-3,173,574.92	0.00	-668,677.02	174,892.00	-3,667,359.94	0.00	0.00
BC AID Other Capital Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Accumulated Depreciation	-4,835,336.32	0.00	-891,110.78	226,301.12	-5,500,145.98	0.00	0.00
Amortizable Assets-Intangible							
BC Land use Rights	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BC Computer Software	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BC Other Capital Intangible Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Amortizable Assets-Intangible	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accumulated Amortization							
BC AIA Land use Rights	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BC AIA Computer Software	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BC AIA Other Intangible Capital Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Accumulated Amortization	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Governmental Activities	3,693,940.83	0.00	132,643.92	-3,353.38	3,823,231.37	0.00	0.00

UNAUDITED

TEXAS ANIMAL HEALTH COMMISSION (554)

NOTE 3: DEPOSITS, INVESTMENTS, & REPURCHASE AGREEMENTS

The Texas Animal Health Commission is authorized to maintain travel advance and petty cash funds for the central office.

The Texas Animal Health Commission is authorized by statute to make investments following the “prudent person rule.” There were no significant violations of legal provisions during the period.

All deposits are within limits for coverage by depository insurance.

Deposits of Cash in Bank

As of August 31, 2025, the carrying amount of deposits was zero.

Governmental Activities

Cash in Bank – Carrying Value	\$26,000.00
Cash in Bank per AFR	\$26,000.00
Governmental Funds Current Assets Cash in Bank	\$26,000.00
Cash in Bank per AFR	\$26,000.00

Investments

The Texas Animal Health Commission does not participate in investments.

NOTE 4: SHORT-TERM DEBT

Not applicable

NOTE 5: LONG-TERM LIABILITIES

Changes in Long-Term Liabilities

During the year ended August 31, 2025, the following changes occurred in liabilities.

Governmental Activities	Balance 09/01/24	Additions	(Reductions)	Balance 08/31/25	Due Within One Year
Right to Use Obligations	\$2,437,045.51	\$1,633,651.92	(\$552,675.26)	\$4,368,771.77	\$569,716.47
Compensable Leave	\$2,465,712.60	\$2,413,900.86	(\$2,060,105.21)	\$2,716,013.88	\$1,574,812.11
Total Governmental Activities	\$4,902,758.11	\$4,047,552.78	(\$2,612,780.47)	\$7,084,785.65	\$2,144,428.58

UNAUDITED

TEXAS ANIMAL HEALTH COMMISSION (554)

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. An expense and liability for proprietary fund types are recorded in the proprietary funds as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

NOTE 6: BONDED INDEBTEDNESS

Non-Applicable

NOTE 7: DERIVATIVES

Non-Applicable

NOTE 8: LEASES

Included in the expenditures reported in the financial statements are the following amounts of rent paid or due under operating lease obligations.

<u>Fund Type</u>	<u>Amount</u>
General Fund	\$ 654,828.28

Future minimum lease rental payments under non-cancellable operating leases having an initial term in excess of one year are as follows:

	Principal	Interest	Total
2026	569,716.47	118,863.60	688,580.07
2027	595,890.04	99,715.85	695,605.89
2028	623,012.14	79,760.07	702,772.21
2029	651,782.37	58,299.44	710,081.81
2030	455,652.61	38,246.93	493,899.54
2031 - 2035	1,008,850.70	87,996.54	1,096,847.24
2036 - 2040	463,867.44	13,509.46	477,376.90
2041 - 2045	0.00	0.00	0.00
2046 - 2050	0.00	0.00	0.00
2051 - 2055	0.00	0.00	0.00
2056 and beyond	0.00	0.00	0.00
Total:	4,368,771.77	496,391.89	4,865,163.66

Total future minimum lease payments **\$4,865,163.66**

NOTE 9: DEFINED BENEFIT PENSION PLANS AND DEFINED CONTRIBUTION PLAN

Not Required

UNAUDITED

TEXAS ANIMAL HEALTH COMMISSION (554)

NOTE 10: DEFERRED COMPENSATION

Not Required

NOTE 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Not Required

NOTE 12: INTERFUND ACTIVITY AND TRANSACTIONS

Non-Applicable

NOTE 13: CONTINUANCE SUBJECT TO REVIEW

The Texas Animal Health Commission is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by Chapter 325r, the Commission is abolished and this Act expires September 1, 2025. If abolished, the Commission may continue until September 1, 2035 to close out its operations.

NOTE 14: ADJUSTMENT TO FUND BALANCES AND NET POSITION

Correction of an Error in Previously Issued Financial Statements (Column C)

During fiscal year 2025, TAHC determined certain leases were placed in service in the prior fiscal year. The effect of correcting that error is shown in column C of the following table.

Adjustments to and Restatements of Beginning Balance

During fiscal year 2025, changes to or within the financial reporting agency and an error correction resulted in adjustments to and restatements of beginning net position and fund net position, as follows:

	08/31/2024 As Previously Reported	Change To or Within the Financial Reporting Agency (A)	Change To or Within the Financial Reporting Agency (B)	Error Correction (C)	09/01/2025 As Restated
Governmental Activities Adjustments					
General Revenue	(\$3,378,167.02)				(\$3,378,167.02)
Capital Assets	(\$6,093,644.52)			(\$871,296.76)	(\$6,964,941.28)
Long-Term Liabilities	4,905,825.88			853,642.63	5,759,468.51
Total Governmental Activities Adjustments	(\$4,565,985.66)			(17,654.13)	(4,583,639.79)
Total Governmental Activities	(\$4,565,985.66)			(\$17,654.13)	(\$4,583,639.79)

TEXAS ANIMAL HEALTH COMMISSION (554)

The restatement of \$17,654.13 in general revenue in major funds of the governmental fund was an adjustment to depreciation from AY25 that was reported on GR recon.

NOTE 15: CONTINGENCIES AND COMMITMENTS

Non-Applicable

NOTE 16: SUBSEQUENT EVENTS

Non-Applicable

NOTE 17: RISK MANAGEMENT

Non-Applicable

NOTE 18: MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Non-Applicable

NOTE 19: THE FINANCIAL REPORTING ENTITY

Non-Applicable

NOTE 20: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Non-Applicable

NOTE 21: N/A

Non-Applicable

NOTE 22: DONOR RESTRICTED ENDOWMENTS

Non-Applicable

NOTE 23: EXTRAORDINARY AND SPECIAL ITEMS

Non-Applicable

NOTE 24: DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

Non-Applicable

NOTE 25: TERMINATION BENEFITS

Not Required

NOTE 26: SEGMENT INFORMATION

UNAUDITED

TEXAS ANIMAL HEALTH COMMISSION (554)

Not Required

NOTE 27: SERVICE CONCESSION ARRANGEMENTS

Not Required

NOTE 28: DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

Not Required

NOTE 29: TROUBLED DEBT RESTRUCTURING

Not Required

NOTE 30: NON-EXCHANGE FINANCIAL GUARANTEES

Not Required

NOTE 31: TAX ABATEMENTS

Not Required

NOTE 32: GOVERNMENTAL FUND BALANCES

Not Required

UNAUDITED

TEXAS ANIMAL HEALTH COMMISSION (554)

SCHEDULE 1A
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended August 31, 2025

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	IDENTIFYING NUMBER	Pass AGY./ UNIV. #	Through From AGENCIES OR UNIV. AMOUNT
U.S. Department of Agriculture				
<u>Direct Programs:</u>				
Plant and Animal Disease Pest Control and Animal Care	10.025			
Totals - U.S. Department of Agriculture				\$0.00
U.S. Department of Homeland Security				
<u>Pass Through From:</u>				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036			
<u>Pass Through From:</u>				
Texas Division of Emergency Management			575	\$0.00
Totals - U.S. Department of Homeland Security				\$0.00
Research & Development Cluster				
U.S. Department of Agriculture				
<u>Pass Through From</u>				
Plant and Animal Disease Pest Control and Animal Care	10.025			
<u>Pass Through To:</u>				
Texas A&M AgriLife Research				
Totals - U.S. Department of Agriculture				\$0.00
Total Expenditures of Federal Awards				\$0.00

Note 1: The Texas Animal Health Commission did not receive Non-Monetary Assistance.

Note 2: Below is a reconciliation of the total of federal pass-through and federal expenditures as reported on the Schedule of Federal Financial 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 expended; therefore, federal revenues equal federal expenditures for the reporting period.

Federal Revenues (Exh II)	\$4,058,308.30
Federal Pass-Through Revenue (Exh II)	\$0.00
Total Pass-Through and Expenditures per Federal Schedule	\$4,058,308.30

Note 3a: The Texas Animal Health Commission does not have Student Loans Processed and Administrative Cost Recovered.

Note 3b: The Texas Animal Health Commission does not have Federally Funded Loans Processed and Administrative Cost Recovered.

Note 4: No longer required.

Note 5: The Texas Animal Health Commission does not have Unemployment Insurance Funds.

Note 6: The Texas Animal Health Commission does not have Rebates for the Special Supplemental Food Program for Women, Infants and Children.

UNAUDITED

TEXAS ANIMAL HEALTH COMMISSION (554)

DIRECT PROGRAM AMOUNT	TOTAL PT FROM & DIRECT PROGRAM	Pass AGY./ UNIV. #	Through AGENCIES OR UNIV. AMOUNT	To NON-STATE ENTITIES AMOUNT	EXPENDITURES AMOUNT	TOTAL PT FROM & EXPENDITURES
\$4,058,308.30	\$4,058,308.30				\$4,058,308.30	\$4,058,308.30
\$4,058,308.30	\$4,058,308.30		\$0.00	\$0.00	\$4,058,308.30	\$4,058,308.30
	\$0.00				\$0.00	\$0.00
\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00					\$0.00
\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00
\$4,058,308.30	\$4,058,308.30		\$0.00	\$0.00	\$4,058,308.30	\$4,058,308.30

Note 7: The Texas Animal Health Commission does not have deferred Federal Revenue

Note 8: The Texas Animal Health Commission received FEMA approval this current reporting fiscal year for eligible expenditures incurred in previous reporting fiscal years related to Hurricane Harvey (DR-4332).

Note 9: The Texas Animal Health Commission does not have any current or prior years Revolving Loan Funds related to the Economic Adjustment Assistance program.

Note 10: The Texas Animal Health Commission does not elect to use the 10 percent de minimis indirect cost rate.

Verification B: N/A

Verification C: The Texas Animal Health Commission does not have any NSE activity.

Verification D: N/A

Note 11: The Texas Animal Health Commission did not receive donations from Federal Assistance

Note 12: The Texas Animal Health Commission did not receive funding from CCDF

Note 13: The Texas Animal Health Commission did not receive EHV program funding

ADDENDUM I
BALANCE SHEET COMMENTS

Exhibit I presents a combined balance sheet for the fund types of the Texas Animal Health Commission at August 31, 2025. The following comments expound on various elements of that exhibit.

Legislative Appropriations

Legislative appropriations consist of unexpended general revenue fund appropriation balances in the state treasury and federal cooperative agreement funds deposited to these appropriations.

Cash in State Treasury

Eighty-eighth Texas Legislatures approved Rider 7 for Contingency Appropriations: Cost Recovery for Animal Health Programs for the Texas Animal Health Commission during the 2024-2025 biennium to assess fees sufficient to generate revenue to cover, at a minimum the General Revenue appropriations expended for these programs. During fiscal year 2024, collected fees are reflected in the amount of \$ 689,615.84.

Cash in Bank - Travel Advance Fund

The Commission maintains a \$25,000.00 travel advance fund at Frost Bank.

Cash in Bank - Petty Cash Fund

The Austin office of the Commission maintains a \$1,000.00 petty cash fund at Frost Bank.